

# NATION'S BUSINESS

OCTOBER 1941



## Plowing a 1600-mile furrow *for defense*

THE nation's transcontinental telephone facilities are being more than doubled—in a hurry!

Telephone crews now are working west from Omaha. Others soon will start east from Sacramento. When they meet, their tractor-hauled "plow trains" will have buried two Long Distance telephone cables three feet underground, in a furrow 1600 miles long!

Together, these twin cables provide for more than 500 new telephone talking channels—plus facilities for radio, teletype and telephoto. Protected against all weather hazards, they make it unlikely that America's coast-to-coast communications will ever be broken.

Big as it is, this job is only a small part of the Bell System's share in national defense.

### LONG DISTANCE helps unite the nation

"THE TELEPHONE HOUR" is broadcast every Monday evening over the N.B.C. Red Network



Here's the new cable route—from Omaha to Cheyenne, to Denver, to Salt Lake City, to Sacramento. The special plow in the picture cuts a deep, narrow trench, lays two cables, and refills, in one continuous operation. Each plow can cover several miles a day under favorable conditions.

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# THE FUTURE IN A CRYSTAL



**L**ONG AFTER it has been removed by a surgeon's scalpel, in one of the most famous experiments in medicine, a vital organ lives on . . .

Bathed in an almost magic solution, it continues to function . . . *alone* in a strange glass apparatus!

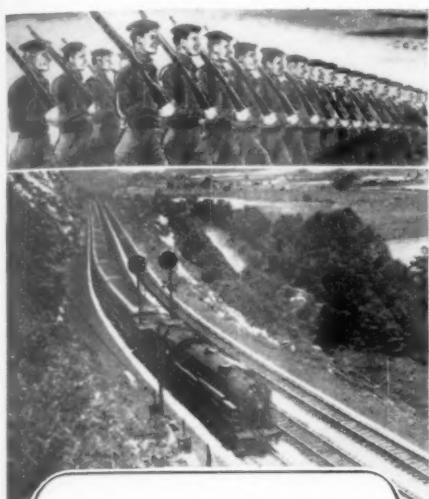
And why this amazing experiment? To uncover the hidden secrets of life . . . to open vast new fields in medical research . . . which will add untold chapters to the ancient art of human healing.

And stranger than all, that almost magic solution in which the living vital organ continues its separate life . . . that complex solution has, as one of its major components, sodium chloride—tiny white crystals of common, everyday *table salt*.

Its importance to scientific research is just one of the contributions that salt makes to our daily lives. For salt or salt processes by International are vital to the tanning, dyeing and glass industries; to meat packing, canning and stock feeding; for snow and ice removal. And they are as important to as many other industries—which, at first glance, may not seem remotely allied with so common a substance.

Would you like to test your knowledge of common salt? Let us know where we can send you an interesting, illustrated booklet, "*Salt by International*." International Salt Company, Inc., Scranton, Pa. Rock salt, evaporated salt, lixated brine, Sterling table salt—for industry, agriculture and the home.





## SHOULDER to SHOULDER for Defense

Thousands of Americans in the armed service of their country from all parts of the nation, are traveling to and from strategic military posts on the Norfolk and Western Railway. Relatives, sweethearts and friends by the thousands are visiting them. Here again the Norfolk and Western is doing a job — working shoulder to shoulder with the national defense effort — transporting these thousands of travelers smoothly and efficiently, without congestion or delay.

For years this railroad has followed consistently a policy of "preparing today for the traffic of tomorrow." (And that policy of action has never been more vigorous than it is right now.) At the end of the seven-year period — 1935-1941 — the Norfolk and Western will have spent more than \$4,100,000 for additions and improvements to passenger facilities and services, including new, deluxe streamlined coaches, streamlined locomotives, air-conditioning and modernization of standard equipment.

These extensive improvements, plus an unexcelled roadbed and a modern automatic signal system, assure passengers ample accommodations and the utmost in safety and travel comfort on the Norfolk and Western between the Midwest and the Virginias and Carolinas and between the North and the South. Try this modern, convenient and economical way to travel on your next business or pleasure trip.

**NORFOLK and  
WESTERN**  
*Railway*

# THROUGH THE Editor's Specs

*This is true liberty, when freeborn men,  
Having to advise the public, may  
speak free.*

—Euripides. 450 B.C.

### We, the People—

THE MUTUAL assistance pact between United States and Soviet Russia "puts both great countries in the same camp of democratic nations devoted to the noble ideal of the destruction of German fascism," says *Izvestia*, government organ of Moscow.

THE "V FOR VICTORY" drive has inspired "V" lipstick, "V" hairdos, the "V" tap dance in Morse code, and "V" dress fronts.

AT A MEETING in Detroit the National Association of Retail Meat Merchants considered changing "hamburger" to "defense steak."

COLUMNIST LUCIUS BEEBE says that Manhattan's German restaurants have suffered a heavy falling off in custom. One German chop house not only has lost much of the "100 per cent" American trade but all of its Nazi clients, because the proprietor is an outspoken anti-Nazi.

LLOYD'S OF LONDON offers odds of 1,000 to 1 that New York, Washington and other large American cities won't be bombed.

### Thrown for a Loss

A HOUSEWIFE who devotes her spare time to competing in customer contests has written about her experience in *Broadcasting* magazine. It appears to be a diverting, though often disappointing, avocation. Of 30 national contests that she entered, she didn't win a prize. In local contests she received a number of small prizes — sometimes in cash but generally in merchandise or service.

But what interested us about her experience was the fact that only two of the 30 firms that sold nationally took the trouble to acknowledge her

entry. Generally they didn't even publish or broadcast the names of the winners. The local people were smarter; they almost invariably acknowledged the contestant's effort and sometimes even sent small consolation prizes to all.

Here were 28 national advertisers — enough to be a cross-section — overlooking one of the most elementary truths of selling. When a woman has spent hours thinking out a slogan for your cereal or soap or floor wax, and perhaps has gone to the trouble of buying the product and saving package tops or coupons, she should get, at least, a friendly post card.

### Should all who read, run?

AMONG the magazines on the news stands, short names predominate — *Look, Life, Pic, You, Cue, Click*. . . . Observing this, the *New York Times* concludes magazine buyers no longer have time to pause for such long speeches as *Saturday Evening Post* or *Better Homes and Gardens*.

Which makes us wonder how the advertiser fares. Can he tell his story and do his selling in a picture and a one-word flash? If the reader has time only to snap no more than a five-letter syllable, how is he going to discover that a Hoover beats as it sweeps as it cleans, or that Camels give five extra smokes to the pack because they burn 25 per cent slower?

Maybe the publishers who rush their readers through their pages, rather than encourage them to pause, reflect and digest, are doing their advertisers a disservice.

Or maybe we are worrying unnecessarily about the *Times'* conclusion, since *Nation's Business*, which hardly can be pronounced in one syllable, reaches a new high this month, with 361,000 cash-on-the-barrel-head subscribers!

### Millions down the sewer

DO YOU remember those confident assertions of a year or so ago that in this great armament program the nation would profit by experience and avoid the costly errors and blunders



## "Danged if I will—"

El Struthers, our skinflint contractor, woke up Chuck Biddle, the druggist, in the middle of the night in a snowstorm once last winter; and wanted Chuck to open the store and let him have twelve 3c stamps.

Chuck was mad as a hatter, said he'd be danged if he'd come down for a tightwad who never bought anything until he had to!

El was trying to get a bid for a hospital building to State capital before noon next day, wanted to make the 2:42 a.m. mail train. Instead, he had to hire a local taxi driver to take it on the train. The cabman got mixed up in the capital, left it in the wrong place, and El lost the job. Said he lost an \$8,000 profit, too.

El figured a Postage Meter came a lot cheaper! And El bought one so he'd never have to ask Chuck Biddle for stamps again!

**YOU DON'T** have to ask anybody for stamps when you have a Postage Meter. It holds as much postage as you want to buy from the postoffice, \$1 or \$10,000. It never runs out of the kind of stamps you want, because it *prints* any kind of stamp you need—plus postmark and slogan—directly on the envelope, and seals the flap simultaneously!

The Pitney-Bowes Postage Meter is the modern way of mailing. Saves time and effort; protects your postage, keeps its own records; uses little space, can be operated by anybody; is worth its cost in convenience alone. Ask our nearest office for a demonstration—soon!

### Pitney-Bowes POSTAGE METER CO.

1333 Pacific St., Stamford, Conn.

Branches in principal cities. Consult phone directory... In Canada: Canadian Postage Meters & Machines Co., Ltd.

of the last effort it made in 1917-18?

We were forewarned but not forearmed against waste and folly, it now appears. The Truman Senate committee finds that the cost for housing soldiers in nine camps comes to \$702 a man, against an advance estimate of \$320. In the World War it was \$216.

The Committee makes a startling comparison between private efficiency and public bungling. The town of Frederick, Md., has 15,802 people and its property, on a 100 per cent valuation basis, is assessed at \$24,746,000. This includes land and business structures as well as homes—all of permanent construction. Nearby Fort Meade, a temporary cantonment housing 25,207 soldiers, cost the Government \$21,561,000, not including the cost of the land on which it was erected.

In an emergency caused by actual military operations this stripping of the taxpayers would not be excusable; as part of a peace-time preparedness job, it is sheer tragedy.

### Conditioning the taxpayers

CONGRESS, in moving to lower income tax exemptions sharply, seems less inclined to spare the rod than a year ago, although still reluctant. The non-elective bureaucrats, who are to benefit most by the new levies, are philosophical about them; in fact, secretly jubilant. They smile because they see what to them are compensations in excessively high taxes. The people must be conditioned to the New Order, where the State will say how one's savings are to be spent. Did not Bismarck realize the advantage of high taxes to an absolute State? When he learned that, owing to payment of the French indemnity, the German treasury had a large surplus, he expressed regret, privately.

"It is better for the Government to be short of money in order to introduce new taxes," he said.

### Business as usual

THERE is ironic truth in *Tide's* definition of a small business as one which can't afford a full-time lawyer in Washington.

The plight of one firm so destitute was depicted in an apocryphal letter from a "Sleepy River," Ark., lumber dealer to the Los Angeles *Daily Journal*. In summary, these are the events that led up to the tragedy:

1. Federal Wage and Hour man comes along and looks into the dealer's books.
2. Employer points out that, as a retail lumber dealer, he is not subject to the Act.
3. Inspector rules it is a wholesale business because the dealer has sold some lumber to local stores for shelving.
4. Dealer conforms his wages and hours, changes his sign and letterhead to call



himself a wholesaler and demands wholesale discounts.

5. Two months later the dealer and the mills from which he buys are dragged before the Federal Trade Commission for violating the price discrimination provisions of the Robinson-Patman Act. F.T.C. rules he is a retailer.

6. Goes to Washington before Wage and Hour Division legal staff. They find that he is actually wholesaler, retailer and manufacturer, since he has a saw and does some cutting of lumber occasionally.

7. Goes home and again puts up his "wholesale" sign, resigned to becoming a lawbreaker somewhere whatever he does.

### The way on the Potomac

IF YOU think this yarn is goofy, it's proof you haven't been in the capital lately.

An executive came to Washington to see about priorities on an item used in the making of motors. He went from office to office telling his story but no one could direct him where to find out what he wanted. Finally, in the O.P.M. labyrinths, an official gave him a sound clue.

"I'll tell you what to do," he said. "Go back to Florida and write us a letter. The messenger in the mail room will know where to send it."

### Pattern of post-war emergency

THOUGHTS for those thinking in terms of a temporary emergency:

At a New York conference of field representatives of federal agencies in the East, Jacob Baker, who is called Coordinator of Public Work Reserve, says that, after the war boom has passed, the Government must spend \$10,000,000,000 a year on the armed forces.

Mayor LaGuardia, holder of two high federal posts, says the present rate of expenditures will have to go on, regardless of which side wins the war. According to the Mayor, if the Nazis win we will have to lay out the money for defense preparations indefinitely, and a Nazi defeat would give to the United States the go-ahead sign for creation of "the new American order."

### No penalty for understatement

A READER calls our attention to a recent ruling of the Federal Trade Commission which forces the Melrose Granite Corporation of St. Cloud, Minn., to drop the word "eternal" from its advertising.

Our correspondent recalls a granite outcropping on the Wisconsin farm where he lived as a boy.

"It was all in one piece," he writes, "and as big as six cows. Through all his long life my father had to mow around it when cutting hay in the meadow. He called it 'that infernal rock'. Would the Federal Trade Com-

## Members of the "FOUR HUNDRED"



• Not of the social-elect, but members of a force of more than 400 specially trained power-plant engineers who are aiding industry by ferreting out the deep-hidden defects that would cause boiler explosions, engine, turbine and electric-generator accidents. . . . Coping with disaster *before* it can happen. . . . Thus saving manufacturers crippling losses from ruined equipment, shattered plants, disrupted production!

• They are Hartford Steam Boiler's inspectors. With their associates, field supervisors and long-experienced technical staff, they constitute a power-plant safety-engineering service nation-wide in scope and unequaled in completeness.

• With Hartford Steam Boiler *specializing* in this one form of insurance, the effort it directs toward its policyholders' problems is "full time." It is not incidental. There are no diverting other lines.

It is a service which brings from policyholders, at times of emergency, such comments as this:

*"I have no doubt that your files contain letters of appreciation for the splendid work your organization can do under such circumstances, but I am certain that none was written with a greater or more deep-seated feeling of sincere gratitude than this one."*

• Today, with industrial output being pushed to the limit, make sure that your power-plant is well protected. Ask your agent or broker to tell you what a Hartford Steam Boiler policy can mean to you.



## THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY • Hartford, Connecticut

Covers: Boilers • Steam, Gas and Diesel Engines • Turbines • Pressure Vessels • Electrical Equipment  
Writes more power-plant insurance than is written by the FIVE next-largest underwriters in this field.





SO, WE'RE A NATION OF  
**SOFTIES**  
 -ARE WE!

*"What if we have more bathtubs and cars than other nations? We earned them! Maybe we got a little soft... but, brother, we can toughen up again. I read where millions of Americans are suffering from HIDDEN HUNGER (malnutrition) due to improper eating. O.K. ... here's one American who's going to follow Uncle Sam's new Yardstick of Nutrition!"*

• • •

First on many proposed diets to meet this yardstick is—**DRINK MILK!** And here is the milk that's *exactly right* for the job... Sealtest Homogenized Vitamin "D" Milk.

This is no ordinary milk. It has 400 added units of precious Vitamin "D". In addition—the cream is distributed all through the milk. This gives it a delicious creamy flavor and tends to aid digestion.

Like regular milk, it also contains minerals, and other vital food elements which so many of our modern meals lack.

Millions of men, women, and children suffer from **HIDDEN HUNGER**—and don't realize it. Why take

chances? Get fit—by sensible eating and by drinking at least one pint of Sealtest Homogenized Vitamin "D" Milk every day. More for children, of course!

Look for the red-and-white Sealtest Symbol in your community. It means quality and purity are supervised by the Sealtest System of Laboratory Protection.

*Sealtest, Inc. and its member-companies are subsidiaries of National Dairy Products Corporation.*

*Sealtest*  
**MILK**



**Fight HIDDEN HUNGER with Sealtest Milk**

Don't miss Rudy Vallee with John Barrymore—Sealtest Program, Thursdays, 10 P.M., e.s.t., NBC Red Network

mission, I wonder, order him to 'cease and desist'?"

### Wanted—a poll to end polls

IT MAY be that the ultimate stage in pure democracy is about to be reached in the vogue for polls on every question imaginable. In some quarters there is a tacit assumption that the way to say the last word on any subject is through a count of noses. Does this new product have possibilities of development? Is this economic policy or that ethical dogma correct? One has only to ask a selected cross-section of the people.

An elaborate poll has been made of children from eight to 13. Results show that 48 per cent believe Germany or Japan is likely to attack the United States. Twenty-seven per cent believe we should go to war against Germany. Of what meaning or value these figures may be, we have no notion. Seventy-one per cent said they get spanked occasionally. This at least contains a crumb of comfort; from the public behavior of most urban children we had concluded the good old custom was entirely decadent.

Polling the public has many legitimate uses. But those who count it a scientific substitute for the exercise of judgment in government and business will surely be disappointed.

### Looking behind the map

FOR the first time in the 20 years that NATION'S BUSINESS has been running its "Map of the NATION'S BUSINESS," the map for August was all white, without a single splotch of color, every section in the nation reporting more activity than a year ago.

On its face, that is a cheerful situation, but a little reflection on the circumstances takes the joy out of it. Reader H. A. Tharp of Exeter, Calif., who says he has always found the map of interest, suggests that it might be supplemented by a public debt barometer that would reveal whether or not red should be substituted for white on the map.

"I am anxious to know whether I get a piece of the pie or only an opportunity to help pay the baker for burning up the pie."

Maybe you've got something there, Mr. Tharp. Before pronouncing on the health of the body economic in these times we must throw this heavily weighted and constantly growing public debt mortgage into the adjusted index of business conditions.

### Aliens first!

ONE of the end results of the war in France is likely to be a more rigorous

restriction of alien immigration than has ever been known in the past. According to Thomas Kernan in "France on Berlin Time," the French experience in providing asylum for refugees from Nazi-dominated countries and Russia has been a sad disillusionment.

Many thousands of fugitives had been admitted into France before the war and enjoyed its hospitality, even to exemption from compulsory military service and the privilege of certain income tax exemptions not permitted to citizens. Few became naturalized or assimilated. After the war started, efforts to enlist among them a voluntary legion for the army were a failure. The French today feel deeply and bitterly, says Kernan, the ingratitude of these people in France's hour of peril.

America has been most hospitable, too, in receiving refugees from one foreign tyranny who were friends of another and equally hateful tyranny. Many fear that these aliens are bringing into our national life a pest that will be far more pernicious than the Japanese beetle or the foot-and-mouth disease.

### No time to raise the ante

DURING the World War a yarn was current about an American soldier at the front whose wife continually annoyed him with nagging letters demanding more money for this and that. Finally the warrior lost his patience and wrote back charging her not to send him any more letters as long as he was in the army. "I want to be left alone to enjoy this war in peace," he said.

This story was told during a discussion of Senator Downey's recommendation to raise the Social Security pay roll tax from two per cent up to six per cent by 1944, to provide a few more billions for increasing all old age pensions to \$30 a month after age 60.

"Bad timing," said our office visitor. "Let taxpayers enjoy the war taxes and deficits and uncertainties of the future without further aggravation."

### Human nature still a factor

THE controversy going on over the wages of redcaps in the large railroad terminals furnishes a practical lesson in economics. Under the traditional compensation-from-tips plan, many of the redcaps made good earnings. As a group they were as satisfied as men usually are. In 1938 the Wage and Hour Division ruled that redcaps must be paid minimum hourly wages by the railroad companies. To provide this added revenue the terminals assessed a straight fee of ten cents a



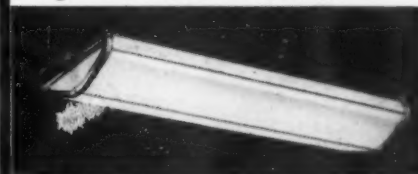
*Amazing Performance!*

That's What Thousands of Users Say About

**Guth FLUORESCENT LIGHTING**

GUTH Fluorescent is truly "Your ONE BEST Fluorescent Buy." Scientifically engineered to the peak of performance efficiency—designed for streamlined beauty—backed by 39 years of lighting experience—our Fixtures give you the utmost in cool, comfortable, economical Fluorescent Light.

GUTH FUTURLITER (above) and the GUTH Excelux illustrated below, are only two of dozens of beautiful, modern, amazingly efficient units designed for Office and Stores.



GUTH Fluorescent Fixtures are Built STRONGER to Serve Longer!



### PFC Plastic Diffuser

Add beauty and comfort to Fluorescent Lighting. Snap GUTH PFC's on bare lamps to reduce surface brightness.

The EDWIN F. GUTH COMPANY  
2615 Washington Ave.  
St. Louis, Mo.

"LEADERS IN LIGHTING SINCE 1902"

**Guth**



# GOOD BUSINESS NEWS



## How OPEN ACCOUNT FINANCING Helped to *double* the 1941 Volume

**T**HOUSANDS of manufacturers and wholesalers are extremely busy writing books like these.

They all hope to be best sellers. At least, they hope to be comparatively better than in the previous year.

But frozen assets . . . lack of working capital . . . inability to get sufficient credit from banking connections . . . these factors tend to handicap every business.

Not the PORTSON COMPANY\*, however. With limited capital and bank credit, the best they were able to do during the first six months of 1940 was \$207,087.67 sales volume.

For the first six months of 1941, using OPEN ACCOUNT FINANCING, the volume was \$400,617.06 . . . nearly double the 1940 figures.

To quote from a letter written by the Company:

"We have doubled our business. This could only be accomplished by the financial assistance received from you. Furthermore, the months of MAY and JUNE show an increase of more than \$100,000 over the same two months of last year . . . Your financing help has enabled us to take on business we could not handle in the past, and we are sure that we will be able to increase our business even more."

If *any* financing can help increase your business and profits, OPEN ACCOUNT FINANCING will. If interested in getting further information, write for "COMPARATIVE COST OF FINANCING." Address Dept. NB.

P. S. It's "Non-Notification" . . . none of your customers is notified.

\*A fictitious name, but the facts and figures, taken from our files can be verified.

## COMMERCIAL CREDIT COMPANY

"Non-Notification" Open Account Financing

BALTIMORE

BOSTON NEW YORK CHICAGO SAN FRANCISCO LOS ANGELES PORTLAND, ORE.

CAPITAL AND SURPLUS MORE THAN \$60,000,000

bag to be collected by the men and turned in.

The new system has not proved satisfactory to redcaps, railroads or public. The public objected to the set fee and many more travelers carried their own bags than when they had tipped. The railroads failed to collect enough by hundreds of thousands of dollars to pay the new wage scale and of course had to make this up from other sources of revenue. The less industrious and courteous redcaps earned as much or more from wages than they had from tips; the better men less. As the luggage-carrying traffic fell off, some lost their jobs.

Again, as in innumerable other instances, uplift regulation, instead of benefiting the workers, has injured them and all others concerned.

### Business by brochure

THOUGH some complain that production of defense materials does not advance as it should, no one complains that the changes wrought by our effort to produce those things is not advancing speedily enough. On our cover Photographer George Lohr pictures a phase of production that adds to the puzzles of those who supply the country's goods or services. On page 17 Paul Cherington reveals some others. Truly, if the element of suspense adds the fillip of drama, life on the business front today is far from dull.

### The sound of things to come

IN ANALYZING the problems of post-war reconstruction here's a new one the statesmen should be prepared for. A speaker at the recent convention of the Music Merchants Association of Ohio reminded his listeners of the trend in musical instruments marked by various martial cacophonies and weird tonal effects that followed the last war. The ukulele was introduced into this country in 1915 and its popularity started in the army camps. The saxophone was invented 100 years ago but an American officer in France first introduced it into our army bands and started its vogue in America. So it may be said that the war gave to the nation the ukulele and the saxophone.

Intense activity in drums, bugles, crashing cymbals, etc. may be anticipated soon, this marketer said.

Well, didn't somebody call this a war of nerves?

### Wisdom

THE mother of Karl Marx was a very wise woman, for she wrote: "If Karl had made a lot of Capital instead of writing a lot about Capital, it would have been much better."



# New **FREE** Book shows how 40 merchants **MADE BIGGER PROFITS!**



● We selected forty Pittco Store Fronts from among the thousands built recently — representing practically all kinds of businesses in all parts of the country. Only lack of space kept us from including many more.

Photographs of these Pittco Fronts are reproduced in this book.

With each picture is a report from the merchant concerned, telling how

the new Pittco Front attracted more customers and boosted profits.

Business increases of from 15% to 36% are cited.

Get this book and see the Pittco Fronts that made such increases possible.

Find out how a good-looking new Pittco Front can put your store out ahead of competition and pay for itself in a short period of time.



## *Our customers*

### **WROTE THIS BOOK FOR YOU**

Get it. Read what they say about their new Pittco Fronts. Here are a few examples:

"has increased traffic at least five times"

"best money I ever spent in modernizing"

"enjoyed an increase in business of more than 33 1/3%"

"a front like this wins friends for any store"

"innumerable compliments on the design and appearance of the front"

"easily kept clean, retaining its new shiny appearance at all times"

"this modernization has put new life in our organization"

"tremendous asset in attracting people to our store"

"one of the most beautiful jewelry store fronts in America"

## **PITTCO STORE FRONTS**

**PITTSBURGH PLATE GLASS COMPANY**

*"PITTSBURGH" stands for Quality Glass and Paint*

Pittsburgh Plate Glass Company  
2354-1 Grant Bldg., Pittsburgh, Pa.

Please send me, without obligation, your new, illustrated booklet, "Pittco Store Fronts — and Their Influence on Retail Sales."

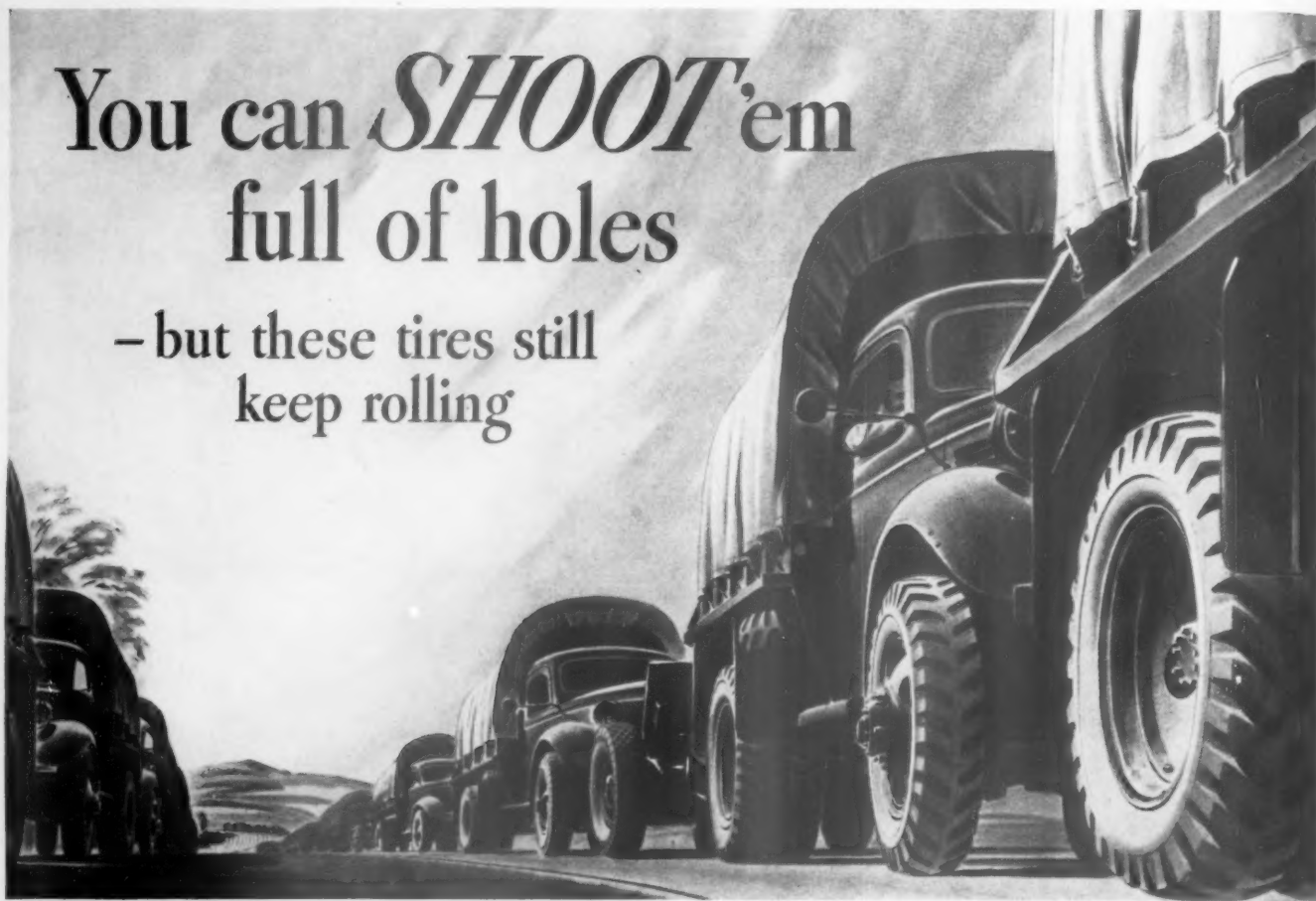
Name.....

Street.....

City..... State.....

# You can *SHOOT*'em full of holes

—but these tires still  
keep rolling



*and there's a lesson in that for every motorist*

ONE of the secrets of modern high-speed military tactics is the pneumatic truck tire — developed by Goodyear twenty-odd years ago. It's this road-cushioning carrier that enables motorized armies to sweep forward with tidal-wave rapidity impossible to the solid-tired equipment of 1914-18.

But pneumatic tires have one serious handicap at the front. They're highly vulnerable to gun-fire — and there's no time for fixing flats in a blitz.

That presented a tough problem, but not an entirely strange one to Goodyear. For years our engineers have been developing and perfecting ways to protect tires from both blowouts and punctures.

The blowout peril we'd already licked with our famous LifeGuard — the safety tire within a tube that makes the worst tire failure as harmless as a slow leak. And we'd developed a method of bullet-proofing airplane gas tanks with a self-sealing rubber lining. That gave us a clue.

Inner tubes lined with this new quick-sealing compound lost but little of their air pressure when drilled with rifle bullets. On scout cars and other reconnaissance vehicles these new Bullet Seal tubes are the answer.

But bulletproofing tires for heavy field guns, armored combat cars and supply trains was another matter. How we solved this with our new Combat tire is a secret. But we can tell you how effectively it performs.

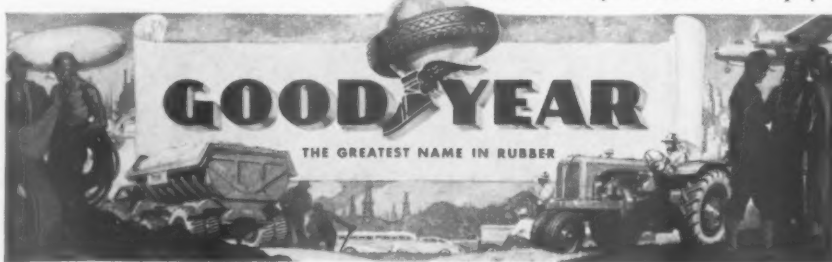
*Even when shot through by 37 mm. anti-tank guns or riddled with machine gun fire, this new Goodyear Combat tire will carry the heaviest motor equipment on to its objective without stopping*

*for repair or replacement! Should Uncle Sam's new armored forces ever come under fire, one thing they won't have to worry about is flat tires.*

Developments like this new bulletproof tire equipment typify the engineering leadership that distinguishes the design and construction of all Goodyear tires for civil use.

Take our new first-line "G-3" All-Weather, for example. It incorporates such standout improvements, it averages thousands of miles longer tread wear than previous models — yet costs less per mile than ever before. Because the public has found similar superiority in all Goodyear products for more than forty years, Goodyear is known the world over as "the greatest name in rubber."

LifeGuard, All-Weather—  
T.M.'s The Goodyear Tire & Rubber Company



## R<sub>x</sub> for Inflation: Work

**JUST NOW** millions of words are written and spoken on the causes and effects of inflation, and various and sundry in high positions are prescribing ways and means as to how to check the disease.

The causes of inflation and its preventive are not so complex. Inflation comes the easy, down-hill way; it can only be met the hard, up-hill way. Trying political short-cuts to meet economic conditions brought on by tripping the primrose path are, as always, ineffective.

Suppose there were only one single new model automobile manufactured in 1942. What price would it bring?

What price food, shelter, clothing, the usable, material, eatable things? Government services, no matter how necessary, are in a different category.

As a government takes more and more of the nation's productive hours for its needs, there are less hours with which to produce the usable things. The amount of money to bid for less things is the same or greater. Prices rise. Legal restrictions are futile, because man's ingenuity to get what he wants from some one who wants to sell is boundless.

Everybody agrees that our production of usable goods is declining drastically. People will flock to that depleted pile of goods in the national market-place and each of us will compete for our customary share. Such competition naturally, humanly, bids prices up. Punishment for charging higher prices cannot follow the product through all hands to the individual buyer. Even death penalties in France could not prevent price increases. The Black Bourse thrives today in the most regimented nation on earth—Germany!

First, there is the increase resulting from the shrinkage of usable goods in the market-place. Add to this two human fears—shortage and higher prices. The spiral upward moves faster and faster. The asking price of an article or an acre moves ahead with the buyer's offer rushing after.

As more and more of a nation's producers of the necessities and conveniences of life are con-

scripted into government jobs and into war plants—the same thing—the remaining producers find consumers willing to pay any price. Tax them more heavily is urged in political circles; pay out the tax money to that part of the population engaged in the production of non-usable things, and the situation is not relieved but aggravated.

In 1937, roughly eleven families produced our necessities and conveniences for thirteen; today eight must produce for that thirteen.

The increasingly rapid swing since 1930 to more and more government expenses has had in it the bursting seeds of inflation. The necessity for tremendous spendings now for defense brings the tragic reality of inflation closer and closer. No political magic will change the inexorable course of events. Only the hard way, the reduction of non-defense government expenses, thus returning non-producers to the production of usable things. More important, an all-out, over-all increase in production on the part of each of us will head off certain calamity.

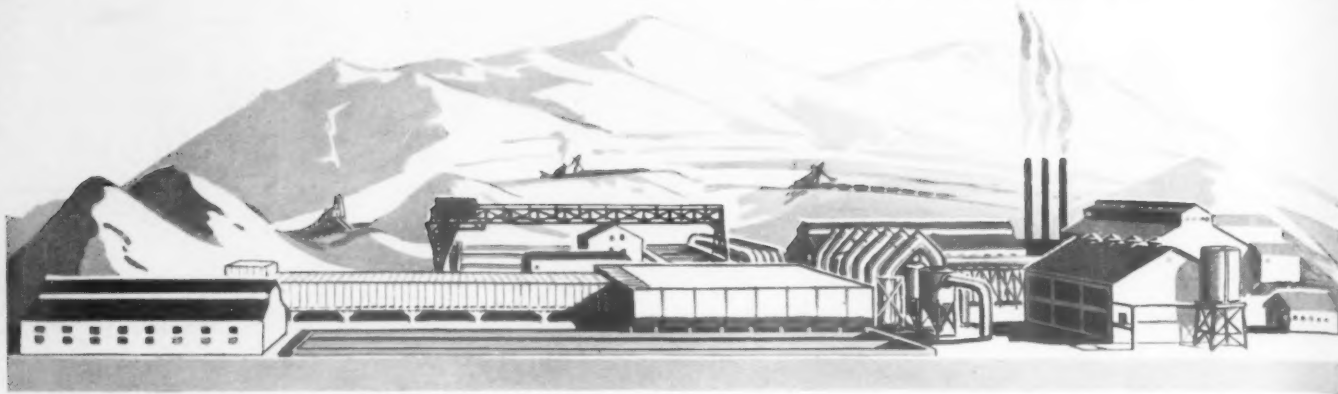
Such national energy will not be released to the full until our leaders catch the spirit and remove needless restrictions, temper bureaucratic supervision with understanding, and intern partisan fault-finding for the duration at least.

That would be the hard way, work, more work, and harder work. The politician shudders to suggest it, because, while it would put the V in Victory, it might take the V out of Votes.

To prevent inflation is as simple as A B C; the preventive is as hard to take as castor oil. Four brothers till a farm. They assign one to police duty. To maintain their standards, to live as usual, the three must do the fourth brother's former share. There is no other way. It requires no whereases, no be-it-enacted, no higher mathematics of sines and logarithms. Primer arithmetic provides the answer—addition and multiplication to equal the sum subtracted.

*Mere Thorne*





## BUSINESS INSURANCE *must be Individual*

No two insurance programs can be quite alike. As surely as your plant, equipment and operating methods differ from those of your closest competitor—so must your business insurance program be *tailor-made to fit your needs*. It must be drafted and negotiated to meet your individual requirements.

The planning of an effective and economical insurance program for a business enterprise, is an intricate and technical task. You employ a lawyer or a doctor for advice on matters of law or medicine. In the same way you should employ an insurance broker to help you with the drafting and purchase of your business insurance.

The broker is a buyer—not a salesman. He represents no particular insurance company, but is free to choose among the contracts offered by many compa-

nies. He places at your disposal his specialized knowledge and helps you with unbiased advice on all phases of your insurance program, including the collection of your claims. Yet he charges no fee for his services, as the seller—the insurance company—pays the brokerage.

Johnson & Higgins have served many corporations and business firms in this capacity for many years. If you would like to discuss their service in terms of your own business, a representative will call on request. He can demonstrate, by actual case histories, the soundness and practical value of the statements made above.

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# How Capitalism Can Get Its Second Wind

By PAUL T. CHERINGTON

WHETHER or not America actively takes up arms, the fact remains that we have promised to support the war against Hitlerism. With federal income taxes due to be trebled, or at least doubled, in the next few years on incomes from \$2,500 to \$25,000, it is obvious that the middle class—not the rich, and not the worker—is destined to bear the major cost of the undertaking. The business man will have to plan accordingly.

Planning what will happen because of war is, of course, a hazardous undertaking. The world moves with the headlines. But the business man must plan, even though he base his plans on prophecy. Prophecy loses some of its hazards if we look at fundamentals and seek to determine patterns rather than forecasting specific events.

In appraising the probable effects of the war, it is necessary to keep in mind that this is partly a war and partly a revolution, or a whole collection of revolutions. Back of it is the belief in high places that such comprehensive changes as the equalizing of the distribution of wealth are inherent in it.

But, as a war, this new undertaking is unique in several respects.

*First:* The scale of this war will dwarf any previous undertaking of the sort. In the War of 1914-18 about 60,000,000 men were involved, and that number, no doubt, will be greatly exceeded before this one is over.

*Second:* This war will cost more. As estimated by the Carnegie Foundation, the direct cost of the other World War was \$186,000,000,000 and the indirect cost was an additional \$152,000,000,000—making \$338,000,000,000 in all. Both of these figures will be much greater this time because we have learned how to make both the military and civilian effects much more costly.

*Third:* In the last war, 19 active belligerent countries presumably shared the cost. In this one nearly all the paying will be done by three or four.



AMERICAN FOTO-NEW

**Paul T. Cherington**, native Kansan, is listed in Who's Who as a "market expert," a title justified by long and searching experience in the field of business analysis and statistics. Few men have sought knowledge of business cause and effect for so long a time in such various fields. Since 1939 he has been a partner in the firm of McKinsey & Company, management consultants. Previously he had conducted his own business consultant service, served as editor of various business publications and reports, held professorships at Harvard and Stanford Universities and lectured at New York University. He was director of research for the J. Walter Thompson advertising agency for nine years, editor of the National Association of Wool Manufacturers' *Bulletin* for three. Other organizations which have availed themselves of his services include the U. S. Shipping Board, the U. S. Census Bureau and the U. S. Chamber of Commerce. More than a dozen volumes, all on business subjects, have appeared under his name.



Farmers will be in the market for luxuries that they haven't purchased in years

Every seller affected

Likely sources of revenue

*Fourth:* Active participation by the United States in 1917-18 came after several years of war prosperity, while in this war we participate actively after some eight years of depression, mounting public debt, and social experiments designed to capture and hold the labor and farm vote.

Many other contrasts might be drawn but they all point to the same conclusion: This war is more costly, more desperate, and finds us worse prepared from every angle, particularly the economic one. Hence, the business man faces the necessity of adjusting his operations to the grim fact that the war will require tremendous outlays by this country at a time when we can ill afford them.

Potential changes in the consuming market indicate that agricultural income and wages will increase by \$6,000,000,000 or \$7,000,000,000 in 1942, but, at the same time, the living standards of the middle class and the rich will drop. This means that luxuries will be bought by someone else, if at all; fine homes will continue to be demolished or made over for commercial purposes. No other developments are possible when existing democratic and foreign policies begin to come in sharper conflict with the extraordinary nature of the war itself.

What does this mean to the business man? Major adjustments in every phase of business are to be expected.

In addition to federal income taxes, consumers must adjust to new forms of excise taxes, changes in state and local taxes, loss of foreign markets, priority adjustments, perhaps shortages in goods available to civilians, and the many other distortions to business and to living which accompany war.

These adjustments will require every person who sells to the consumer to revise his operations. In determining the character of these revisions consider only the following three American adjuncts of the war:

1. Increased direct taxation of the "upper middle class."
2. Enlarged buying power of "wage earners."
3. Farm incomes as affected by "parity" plans.

Innumerable other adjustments will need to be made as the war progresses. These three, however, affect the marketer of consumer goods in many ways.

## 1 ★ Increased taxation of the upper middle classes

IT HAS BECOME an accepted fact that taxes are among the certainties of life, but it is almost as well established that current tax laws are among the most complicated phases of business. In discussing the effects of the proposed federal income tax changes, the important point is to get clearly in mind the principles involved and any basic trend which is contemplated without becoming tangled up in mathematical details.

What is proposed, in short, is approximately to treble during 1942 or later, the present tax on incomes of the middle brackets—say from \$2,500 to \$25,000, and somewhat less above that level.



The change may not come out quite this way, but these groups are regarded as the most likely sources for the new revenue needed. Above \$50,000 the tax already is too heavy to permit trebling and, in the top brackets, there would be no income left to tax long before this end was attained. Below \$5,000 the number of income earners is very large, so that any tax increase is full of danger to the lawmaker elected by popular vote—or at least the lawmakers fear it is. The recent show of courage initiated by the Senate implies that this fear is being overcome.

To clarify the significance of the current trend of changes in the income tax laws, the case will be boiled down to a simple statement of the recent past and an equally simple summary of how the proposed changes would affect the chief income groups respectively.

The income tax figures for any one year may have in them temporary abnormalities. But the *average for the five years* previous to the last tax year provides a fair picture:

Table I • Individual income tax returns 1934-38  
Comparison of Five Year Average

| Income Groups<br>(Gross)<br>(000 omitted) | Number of<br>Returns | % of<br>Total | Amt. Taxable<br>Net Income<br>(000 omitted) | % of<br>Total | Taxes Paid by<br>Each Group<br>(000 omitted) | % Each<br>Group Paid |
|---|----------------------|---------------|---|---------------|--|----------------------|
| Below \$5                                 | 4,698,355            | 89.1          | \$10,243,445                                | 59.0          | \$ 56,532                                    | 6.8                  |
| 5—10                                      | 389,110              | 7.4           | 2,618,695                                   | 15.0          | 65,001                                       | 7.7                  |
| 10—25                                     | 144,223              | 2.7           | 2,129,177                                   | 12.4          | 134,416                                      | 15.4                 |
| 25—50                                     | 30,619               | 0.57          | 1,037,477                                   | 5.9           | 136,323                                      | 15.8                 |
| 50—100                                    | 9,444                | 0.19          | 631,651                                     | 3.7           | 144,680                                      | 16.8                 |
| 100—150                                   | 1,720                | 0.02          | 204,530                                     | 1.2           | 73,479                                       | 8.6                  |
| Over—150                                  | 1,458                | 0.02          | 474,869                                     | 2.8           | 247,416                                      | 28.9                 |
|   | 5,274,929            | 100.00%       | \$17,339,844                                | 100.00%       | \$857,847                                    | 100.00%              |

The figures show that incomes between \$5,000 and \$50,000 represented ten per cent of the returns and nearly 40 per cent of the tax paid.

Using these figures as a base, it is possible to determine the net income per tax return for the different tax brackets and also the average amount of tax paid per taxpayer in each bracket.

Multiplying these by the more or less tentative proposed advance (which, of course, may be considerably altered before the current tax bill is passed or before the tax maximum finally is reached) will give the figures for average income tax to be paid in 1941 in each of the principal tax brackets. Here it is:

Table II • Individual income tax returns average 1934-38  
Estimate of Tax Increases Per Return for 1941 and Later

| Income Groups<br>(Gross)<br>(000 omitted) | Income Per<br>Return | Amount Tax<br>Per Return | Proposed<br>Advances:<br>Old Tax<br>Multiplied By | Estimate of<br>Future Tax Per<br>Return |
|---|----------------------|--------------------------|---|---|
| Below \$5                                 | \$ 2,400             | \$ 12                    | 4.0   | \$ 48                                   |
| 5—10                                      | 6,850                | 169                      | 2.7   | 456                                     |
| 10—25                                     | 14,750               | 1,000                    | 1.9   | 1,900                                   |
| 25—50                                     | 38,000               | 4,450                    | 1.5   | 6,675                                   |
| 50—100                                    | 67,000               | 15,600                   | 1.3   | 20,280                                  |
| 100—150                                   | 119,000              | 42,000                   | 1.1   | 46,200                                  |
| Over—150                                  | 325,000              | 170,000                  | 1.0   | 170,000                                 |

The change made plain



Labor will get largest share in the redistribution of wealth

**There will be less to spend**

**Millions of new taxpayers**

**Ostentation is dead**



**This little girl will have more clothes to hang out if her daddy is a wage earner—less if he is a salaried man**

If we take these average figures for incomes, for taxes paid, for the anticipated tax covering 1941 and the years following, it becomes possible to get a rough idea of what difference the increased tax by itself is going to make in *average net* income of individuals in these middle tax brackets. This does not precisely follow the pending tax law, but it gives an idea about where we shall emerge with tax increases before we have finished.

The average number of individual income tax returns for these five years was more than 5,250,000, of which nearly 90 per cent covered incomes of less than \$5,000. Only ten per cent concerned incomes of \$5,000 to \$50,000.

Lowering of personal exemptions will, of course, place a new and undoubtedly surprising burden on the lower income groups. Several million individuals will be paying income taxes for the first time, and the psychological effects of these payments must not be too heavily discounted.

The amounts of these payments will not be large, however, and, in the case of the laboring man, are being more than offset by wage increases which are announced daily and being struck for consistently. Even with lower exemptions, the political and legislative pattern of "taking it easy" on the lower income groups is unmistakably clear. It is extremely doubtful that the recent show of courage by Congress will carry through to the point of reversing the pattern.

If the increase in taxes for the middle income groups is to be anything like what apparently is anticipated, it is clear that the "upper middle class" cannot be counted on for the next few years, or at least never again till the war is "paid for," to provide the "standards of living" in elegance which they have hitherto supplied. Ostentation in many of its accepted American forms is dead—for better or for worse. In addition to the "rich" being "soaked," the well-to-do are about to "get theirs."

## 2 ★ Enlarged buying power of workers

A SECOND important phase of the shift in markets due to war activities is the rise in earning power of the wage earner. It may not be literally true that the wage earner proposes to profit by this war, but it is true that labor leaders are making every effort to encourage the workers to think that certain organized groups are going to do great things for their members while the going is good.

There is no dodging the fact that wages are up, that, in many trades, workers are scarce, and that workers as spenders are in green pastures long unfrequented. But inescapable as the fact is, it is rather difficult to reduce it to concrete terms. Various governmental bureaus give out elaborate figures to show how badly off the bottom one-third of our population is, or has been; but there are no ready-made data to show how the workers share in war gains—nor can these be expected to be forthcoming. But here, as in the case of the increased income taxes, some figures can be deduced—risky as that process always is.

Of the total annual income paid out each year, approximately 70 per cent goes to employees as compensation.

To the seven chief productive groups, aside from agriculture (which groups include mining, power, manufacturing, construction, transportation, communication, and trade), belong most of the organized workers who are determined, as they, or at least their leaders, put it, "to share in this war's prosperity." They have the votes with which to scare lawmakers and so "share" they probably will.

The average portion of the national income produced by these seven groups over the five years 1934-38 was \$30,400,000,000, and in 1939 it was \$34,900,000,000. A 30 per cent increase over the five year average, which would be modest enough from their viewpoint, would total \$7,500,000,000. An advance of 20 per cent would be \$5,000,000,000 and 50 per cent would be \$12,500,000,000.

3★ Farm incomes as affected by "Parity" plans

AND NOW we come to the third of our war changes affecting the consumer market—the restoration of "parity" for the farmer, so well beloved by the lawmaker.

The portion of the national money income attributed to agriculture in 1939 was \$5,600,000,000 and the average for the preceding five years was \$5,500,000,000. All was cash income and did not include income in kind. This total figure is in for a substantial increase if the "parity" measures already passed or under consideration succeed. How much this increase will be nobody can predict. Twenty per cent gain does not seem to be beyond the hopes of the farmers, a sum which would total \$1,100,000,000, whereas 25 per cent would be \$1,400,000,000.

To sum up, the rough outline of the changes in the consuming market as foreseen in 1942 and after would be something like this:

|                     | If Increase is 20%<br>(Billions of Dollars) | If Increase is 25%<br>(Billions of Dollars) |
|---------------------|---|---|
| Agricultural Income | 1.1   | 1.4   |
| Wages               | 5.<br>6.1                                   | 6.25<br>7.65                                |

Against this, the largest single offsetting factor is the \$1,100,000,000 proposed decrease in purchasing power due to federal income taxes which would fall mainly on the well-to-do or better paid people. This means then not only a net increase of from \$6,100,000,000 to \$7,600,000,000 in the main part of the consuming market, but also a well defined drop in the economic, social, or customary living-standard of groups from whom this purchasing power is to be taken. Nobody should begrudge the workers their increased share. But neither can anyone be surprised that the so-called "upper middle classes" do not much fancy this war which they are getting into.

Degression or inflation?

Now some of the most obvious effects of all these three influences in our after-war economy could be rather simply stated if it were not for that troublesome thing called "inflation" on which two of



THE buying power of 500,000 middle class people will be seriously curtailed

A new kind of customers

40,000,000 new consumers





**This man can buy few more silk stockings at his wife's orders. Government orders will prohibit**

**Prices are going up**

**Guide for business men**

these three factors are bound to have a powerful influence. Wage increases and farm prices will stimulate inflation far more than the heavier taxing of the middle class will check it. They will add 40,000,000 or more aggressive buyers to the consumer market against the approximately 500,000 whose buying will be seriously checked by taxes.

In terms of curbstone English, inflation is nothing more than a rather long and ugly word meaning high prices for consumer goods, hence, reduced buying power of money. Manifestly it is closely related to shifts in earning power and to the government drafts on earnings, including increased income taxes and higher excise taxes in many lines.

Every rise in agricultural prices, whether artificially stimulated or not, will, of course, raise prices of products made from them. Similarly in the case of all products in the production of which wages are an important factor, higher wages mean higher prices. When profits are marginal already no raising of raw material costs or of wages can be "absorbed." Inevitably it must be reflected in advancing prices no matter what controls or ceilings may be set.

Thus every increase in costs, whether for raw materials, wages, rent, taxes, or anything else, will raise prices, or increase inflation or offset wage gains and stimulate further increases. Also, strange as it may seem, all this inflation will, in the long run, throw the final gain back to the risk-taker, or else will drive business to close up.

This is a delicate phase of this whole group of problems which needs to be squarely faced, but which too often is ruled out of discussion. All we need to point out here is that, where any social or economic group becomes greedy, all groups suffer. This is true equally of capitalists, bosses, workers, or farmers.

In brief, the shift in the consumer market means that it bids fair to be active; that many people among the rich and well-to-do are going to have much less to spend and some will even be obliged to lower their living standard very greatly; that many of the lower strata of workers are going to be much better paid; that, between farm "parity" plans and wage increases, prices will be going up; and that many kinds of raw material and finished goods will be impossible to buy, because their production and sale will interfere with war goods.

The practical question is: What is to be done about the effects of these three phenomena in the consumer market?

## 4 ★ Conclusions

HERE, by way of suggestion, are some of the immediate effects of these three war factors which can be looked for. They ought to be watched by any business man interested in selling consumer goods. These may be summarized briefly as follows:

1. There is going on a redistribution of wealth.
2. The market will be strongest in low end or middle ranges.
3. Profits will be cramped.
4. Economies in production and operation will be imperative.

These four points each call for specific adjustment or concrete

action, some of the most important features of which may be worth enumerating:

**1. There is going on a marked shift in the personnel of the consumer market—a redistribution of wealth.**

- a. For subsistence items there will be a wider demand than ever. But rising farm prices and wages will "jack up" prices of food and clothing and other necessities in which farm products and labor are large items of cost, even to the point of inflation. Hence, the heaviest demand will be most likely to fall on inferior grades or qualities; better grades will be priced out of the reach of those able to appreciate them.
- b. For some luxury items the demand will be active, but it will come mainly from those not familiar with purchases of this sort, who cannot be expected to be very discriminating. Again, this will mean an emphasis on lower levels of quality.
- c. For household equipment, the demand for efficient and reliable merchandise will be strong, although the conflict with production of war equipment will curtail the supply. Most of these items will be bought by workers and farmers.

**2. The market for most items will be strongest in the low end or middle ranges.**

- a. The well-to-do will buy carefully in the case of expensive items such as clothes—almost on an investment basis. But they will be short of funds, and their numbers will be decreased. The more substantial luxuries of the top grades will be a drug on the market. The newcomers in the market will neither know nor care about the "investment" properties of top grades of consumer goods.
- b. Rising prices will compel many people to substitute lower qualities for better qualities formerly bought. There has already been some attempt to resist this by emphasizing the fact that "quality is preserved, nothing changed but the price." But this probably cannot be adhered to—nor will it be believed.
- c. Well-to-do people will be obliged to curtail the total quantity of their buying; and to a large extent they will be obliged to buy goods of lower quality. Producers will be driven to compromise between raising prices and lowering quality.

**3. Profits on any single unit of consumer goods sold may be expected to shrink. As a safeguard to the future of private enterprise the fact that profits are thus cramped should be made plain to the public.**

- a. This is the time to kill the fallacy that advances in agricultural raw material prices and wages can come out of profits. No such profits are there—nor should they be.
- b. Private enterprise is fighting for existence against governmental groups who, through being misled or through ignorance, or through desire for social reform, seek to bring about its destruction and to achieve the substitution of collectivism for it.
- c. If the "guardians of the public interest" do their duty, profiteering by industries will be impossible for any honestly run enterprise. Even more to the point is the fact that to engage in profiteering in any form by any group, besides being legally difficult, would at this time be highly unwise and impolitic.
- d. Any business concern which can go through this period and preserve a substantial part of its market and hold together a nucleus of its organization, even though this be done without any increase in profits,

**Less demand for quality**

**Household equipment popular**

**Clothes become an investment**

**Workers don't generally buy the same quality goods as professors**

PAUL PRYOR FROM BLACK STAR



or without any profits at all, will be fortunate. But it also will render a valuable patriotic service by insuring its own preservation. Enlarged profits during the next two or three years ought to be looked on with suspicion both from without and within any organization selling consumer goods.

**4. To offset these market shifts every possible cent of income should be spent to attain economies, improvements, better management, less wasteful administration.**

- a. This is the time to demonstrate the fallacy of the myth that the "capitalistic system has broken down," that private enterprise cannot serve the public as well as governmentally planned production and that private control and financing leads to waste and inefficiency.
- b. After the "war emergencies" are over, this radical redistribution of buying power from upper or lower levels may be expected to continue for a long time or even to remain permanent. If industry privately run cannot readjust to this situation, it can expect to be saddled with bureaucratic planning and control.
- c. Collectivism, totalitarianism, bureaucracy, government centralization cannot be kept out of control of the daily lives of everybody in this country by negative argument alone. The only answer to attempts at socialization will be effective operation and readjustment by private business, giving people what they want as nearly as it can be done and as cheaply as possible in spite of planned class greed fostered by governmental tinkering.
- d. Even though it takes all of the "war profits," private management should reorganize, readjust, and replan its operations and so preserve our present system of individual enterprise.
- e. If the leaders of private business can see the meaning to them of these efforts to redistribute wealth and can and will adjust to them, they will have something to operate after the war is over. If not, they will be regulated, "planned," controlled out of existence by governmental bureaucrats.

The three phases of the war situation which we have here discussed—heavier individual income taxes, increased wages, and "parity" farm prices—are merely illustrative of basic changes going on behind the screen of a fabulously costly war. Wealth is being redistributed; control is being shifted; "emergencies" are being used to effect social changes of momentous character. This is not the time either to be fooled or to be flustered. It is a time to be realistic, to dig in, to see the larger future, to manage wisely, to be militant. It is time to be vigilant about private enterprise if one believes in it, and to make the advocates of economic crack-pottery justify their proposals on some more solid basis than the facile shibboleth that: "Capitalism has broken down."

It hasn't unless it has lost its power to adjust to difficult shifts like these.



**Governmental influence over business seems to increase in proportion to the amount of taxes levied**

MCMANIGAL



# Must Workers Swallow the Closed Shop?

By EDWARD S. COWDRICK

**U**NION labor, now mainly successful in its campaign for recognition and collective bargaining, is moving toward a more advanced objective—the closed shop. In this purpose it has the active support of some governmental agencies. Already, according to an estimate of the Department of Labor, about 4,000,000 wage earners work under closed shop conditions. The total has grown rapidly in the past few months. The trend has become so distinct that many observers are asking:

Must all industry sign closed shop contracts?

Must every American workman join a union if he is to do his part in national defense?

The menace of the closed shop is that its purpose and its result are to create a monopoly of labor. Disregarding borderline cases and minute distinctions, the contractual methods by which unions seek to obtain this monopoly may be classified as follows:

**The closed shop:** This is the simplest method and the one most easily enforced. The employer agrees that only members of a particular union shall be permitted to work for the company, or in the departments covered by the contract. A man who loses his union membership is fired. Detecting the bad odor that surrounds the term "closed shop," many labor leaders now prefer the name "union shop." Some people try to make a distinction between a closed shop and a union shop, using the former term to indicate a factory where none but those who already belong to the union may be hired, and the latter to indicate a plant where the employer may hire non-union men provided they join the union within a specified time. If they don't—or can't—join, they are fired. This distinction is neither generally observed nor particularly important. For all practical purposes the two terms mean the same thing.

Even under outright closed shop contracts, there are different degrees of union monopoly. It makes a difference, for example, whether the union admits



**THE** Government took over a shipyard filled with defense construction because management refused to make union membership the determining condition of employment. The issue appears to be whether loyalty to the unions shall transcend the national interest. What the "right to work" will mean to later generations may be decided now

all applicants for membership, or whether it is a "closed union"; also whether union dues and initiation fees are high or low. In some industries, the closed shop is fortified by the refusal of unionists to work on the same job with non-unionists, or members of rival unions, even though they belong to different trades. Some unions, through operation of "hiring halls" or other methods, undertake to supply labor direct to the em-

ployer, thus supplanting the employment office in the selection of individual applicants.

**The union preferential shop:** This is an arrangement under which the employer agrees to give union members preference in hiring, but is free to select non-unionists if enough qualified union members are not available for his needs. If the contract prescribes that non-union

men must join the union after being hired, the establishment is actually a closed shop.

**The union security shop:** Here the employer does not undertake to force all employees to join the union, but the contract provides that, after a man once has joined, he must retain his membership in good standing or lose his job. This device has been adopted, especially in recent labor settlements, as a compromise arrangement—a sort of half-way house on the road to a closed shop. In principle there is little difference between the two. From the standpoint of the employer, the union security clause may be less objectionable than an outright closed shop contract because it does not require him—at any rate, not right away—to force present employees to join the union.

It should be pointed out that the closed shop, and its close relatives the preferential shop and the union security shop, have no necessary connection with union recognition. Many union contracts, involving complete recognition and sometimes exclusive collective bargaining rights, have no closed shop clauses.

The closed shop is not new. In England it existed at least as early as the first decades of the nineteenth century. Even in the United States it has prevailed in some trades—printing, for example—for many years. After the

National Labor Relations Act was passed, there was for a time relatively little agitation for extending the area of the closed shop, the unions being occupied mainly in gaining recognition as collective bargaining agencies. The split between the A.F. of L. and the C.I.O. gave fresh impetus to closed shop demands, as each faction tried to entrench itself and prevent raids on its membership by its rival.

### Forced closed shop

WITH the beginning of the national defense program last year, the drive for the closed shop was intensified. It became common for unions, in proposing terms of contracts with employers, to include closed shop clauses, either with the intention of getting them or for trading purposes. Strikes began to be called, or threatened, over the closed shop issue.

This was the situation that the National Defense Mediation Board faced when it was appointed this year and began its efforts to prevent or stop strikes in defense industries. At first the Board approached the closed shop issue warily, and some of its members believed that it would never make a recommendation that an employer be required to sign a closed shop contract

against his will in an establishment which previously had operated under open shop conditions. These forecasts were upset, however, in the Bethlehem case, growing out of a strike of machinists in Pacific Coast shipyards.

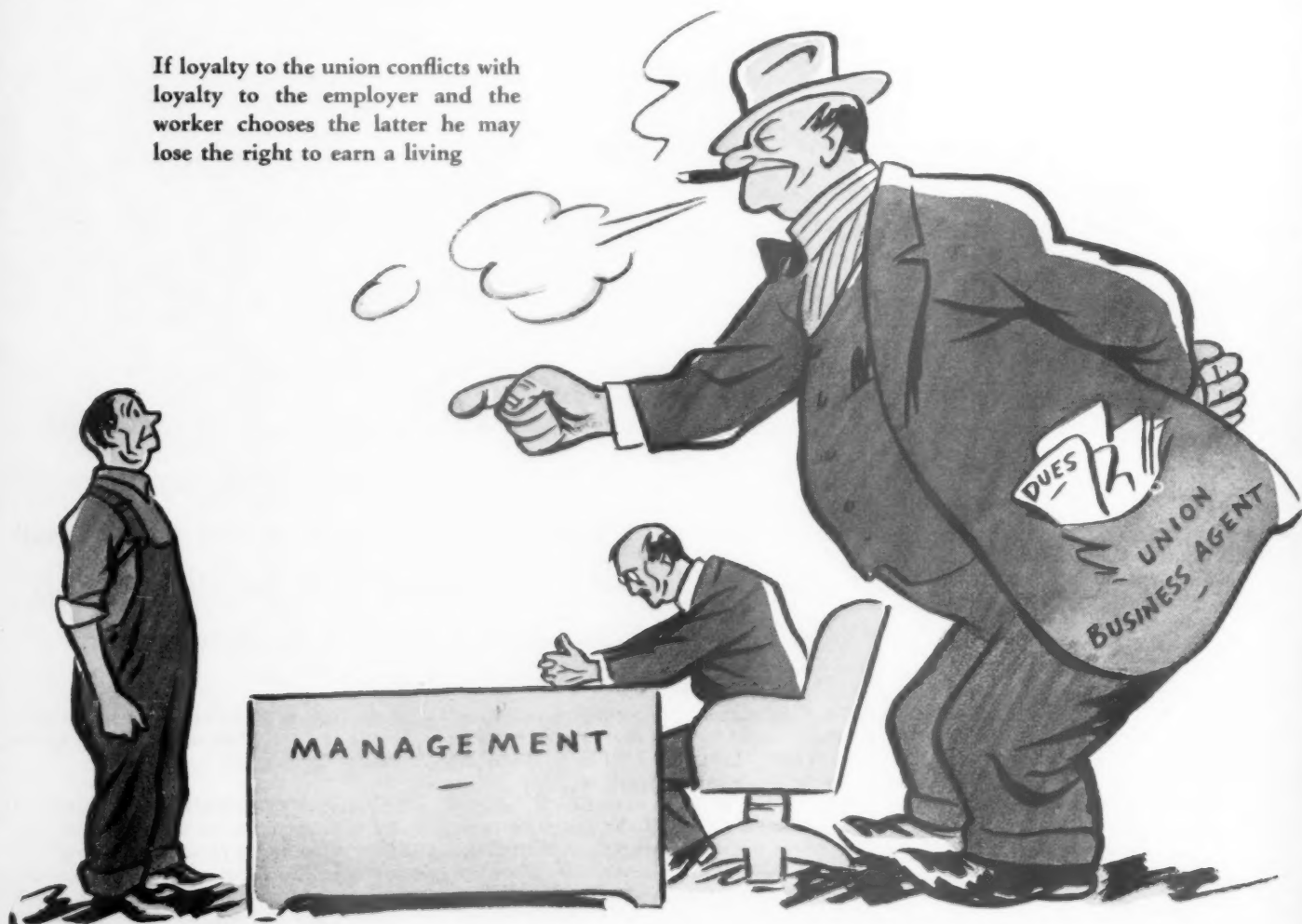
By a split vote, the Board recommended that the Bethlehem Steel Company sign a closed shop contract at its San Francisco yard. Bethlehem, as staunch an advocate of the open shop as there is in the country, complied with the recommendation, which it believed to be equivalent to an order from the Government.

The Bethlehem case was recognized as being somewhat exceptional, since there was an existent closed shop contract in the other shipyards of the area in which the controversy originated. The Mediation Board made it clear that it did not look upon the Bethlehem recommendation as a precedent. About the time the Bethlehem case was adjusted, however, the Board began experimenting with union security contracts.

The Board did not invent the security clause, but it soon adopted it as a favorite device for "compromising" union demands for the closed shop. Usually the unions were well satisfied. This policy of the Board was evolved over the strenuous protests of some of

(Continued on page 66)

If loyalty to the union conflicts with loyalty to the employer and the worker chooses the latter he may lose the right to earn a living





## Tip to Salesmen: “Do NOT Sell”

By A. H. DEUTE

**NO DOUBT** you know how to sell. Probably you know when to sell. But do you know when **NOT** to sell? That's equally important

**T**HE OTHER DAY, my secretary slipped into my office, just as I was getting ready to leave for a week on the road.

“A Mr. Beckley says it is very important that he see you for five minutes. He will not tell me his business. But he says his call is not an ordinary call!”

“Did you tell him I'm getting ready to leave?” I asked.

“Certainly,” she replied. “But he says it is ever so important!”

“Well, tell him,” I said, “that, if he has something on his mind that needs immediate attention, to come in—but if he wants to sell me something, he ought to come around some other time!”

Two minutes later, Beckley marched in. He tossed his overcoat onto a chair, his hat on top of the coat, pulled up

another chair, opened his brief case—all seemingly in one swoop.

“I understand you are going away for a week. What I want to know won't take me five minutes to get, and by the time you return, I'll have some mighty interesting news for you!”

“That's fine,” I said. “But who are you and what is it you want right now? You're sort of ahead of me to date!”

Here was a chap who had made a perfect entrance. He had crashed the gate, as it were—broken through the secretarial defense, got himself well seated. He had his sales talk under way before one could say the proverbial “boo.” One could only sit back and admire his technique.

“But,” I said, “I admire your establishing what the war writers call a *fait accompli*—in short, you're here and I'm here—and you're all set to do your



stuff. Now, you'd better be good, because I don't feel very friendly toward you. Tell me the good news because it will have to be good to enable you to live down the fact that I know and you know that you busted in on me when you have reason to believe I'm not going to be in a receptive mood!"

### Selling at the wrong time

BECKLEY took no preliminary wind-up.

"I know you're just leaving. Your time is valuable. Mine is valuable, too. All I need at the moment is a list—a partial list, under the circumstances—of your investments. You needn't tell me their size—just the names of the stocks and so on."

"What for?" I interrupted.

"By the time you get back to town, I'll be able to suggest switches and revisions which will improve your position immeasurably!"

"Oh," I said. "Investment house?"

"Ah, no, one of the country's real investment services——"

"O.K.—hold it!" I broke in. "Now, look—it took you several minutes to hurdle the polite young woman just out-

side the door. It took you and me four minutes or so to skirmish around up to this point. You started off by making me antagonistic. If I soften up, you'll make me think I took a beating from you. I don't like to take beatings. In other words, you gave me a rush act. Now I'll give you one."

I started for one door as I indicated to him the other one. Then I had an idea. I turned to him and said:

"Look—you've done me one favor, though. I've been searching for an idea for an article on selling. Now I can use you as a horrible example of tactlessness. There are probably a lot more like you—losing chances to do business because you may know how to sell, but you don't know when to sell—and what's more important, you don't know when not to sell."

To illustrate my point, here's just the opposite:

The successful technique of a chap named Thomas, whom I used to know with the Matson Line in San Francisco. Thomas always maintained that he was no salesman. He told me once that he so disliked intruding his ideas upon prospects that he contented himself with "just exposing the idea." In other

words, if he wanted to sell you and your wife a cruise to the South Sea Islands, he'd be likely to wait around for a propitious moment and then show you a cocoanut which had just come in from the Fijis.

Well, most any man likes to maul a plump, solid cocoanut for a moment. With the cocoanut in your hands, Thomas would ask you if you'd ever seen a South Sea Islander shin up a tall palm tree for his noon-day morsel.

"Never been down there? Well, some day you ought to go!"

"Yes, sir!" you'd agree. "I've always wanted to be a beachcomber. Get that way every time I get sore at this business!"

### Selling by suggestion

AND brother Thomas was on his way—in fact, you were on your way. You didn't know it yet, but you and your good wife were practically en route. The idea had been exposed. The seed had been planted. From there on, you were cooperating with the genial Thomas. Maybe it couldn't be this season or this year—but sooner or later, the deal would be closed. Thomas knew when not to sell. He could sense when you were heading in the right direction and he would be right alongside of you.

Lawrence Simon of the Massachusetts Mutual, rated as one of the truly greats in insurance writing, has developed that technique to the Nth power. It's gotten so that any time the friendly Mr. Simon crosses your path, you feel like the man who said to a friend: "I'm going downtown to get drunk—and, gosh, how I dread it!"

But he goes just the same. Salesman Simon is like the basket-ball player who refuses to shoot for a basket every time he gets his hand on the ball. He tries to work up into scoring position.

Many housewives have told me they never resent the Fuller Brush man because he does not sneak up on them and try to trick them into orders in a weak moment. Mrs. Lady goes to the door. There is the smiling individual, singing out: "I'm the Fuller Brush man."

He generally has a little gift to offer—a brush of some kind.

Maybe she says "No—No—No."

But if she does she wishes she'd bought something. The next time he comes, she is almost eager to buy. But the well coached Fuller Brush man is no namby-pamby order taker. Let him sense that she is in a buying mood, and watch him pounce.

I often wonder how many of us learn lessons from those primitive but highly successful salesmen, the peanut vendors. There is an elderly Italian who stands on a certain corner in Baltimore. He never stops you and solicits busi-

(Continued on page 54)



"I'm not much of a salesman. I watch a man's stock. Before long the store has moved our stuff—then I tell the boss about it"

# The MAP of the Nation's Business

By FRANK GREENE

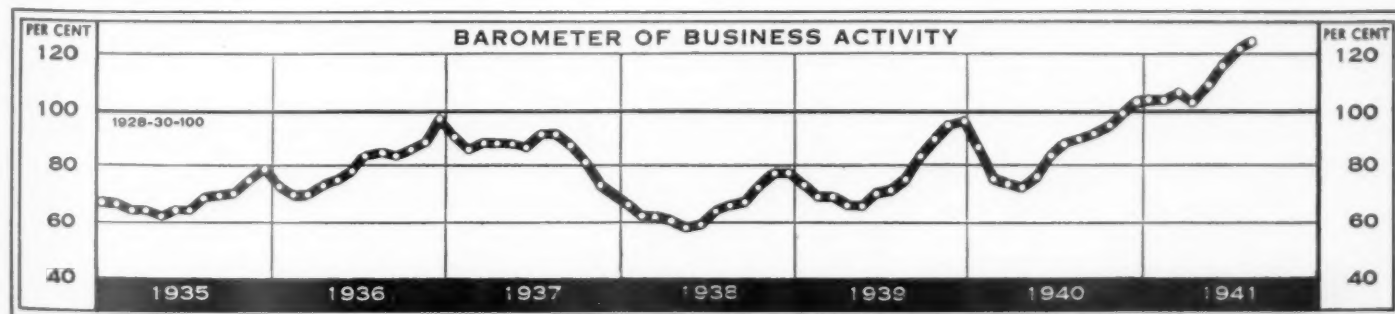


AUGUST volume of industrial activity held to the high levels of July with growing material shortages affecting both defense and other fields. The steel situation was particularly acute as armament demands increased. Retarded by scarcity of scrap, the industry operated at about 96 per cent of capacity during the month. Shipyard expansion continued, airplane plants stepped up production sharply, and automobile output ran about double a year ago during model changes. Carloadings and rail earnings were highest since 1930.

Electric power output was steady at near-record levels, but engineering awards declined from the previous month and builders had difficulty getting materials. Stock market values lost ground and sales volume was almost the duller of the year. Wholesale commodity prices, led by farm products, were the highest in 12 years.

Retail and wholesale trade assumed boom proportions, reflecting heavy inventory buying.

For the third successive month, the white map reflects business conditions uniformly above last year, due mainly to defense spending



The Barometer recorded a further new high in August. However, with limitations of capacity and material shortages developing in many lines, the rate of advance was considerably slower than in the three preceding months

# The Little Red Schoolhouse Gets Modern



In the "Pioneer Room" children dress in costume and learn to appreciate modern methods by imitating their forefathers

PHOTOS BY HEDRICH-BLESSING



Lounge and lobby, comfortably furnished, where parents and teachers talk over problems at tea

Workrooms are separated from classrooms by sound-proof doors so there will be no interruption of study classes. Each room has its individual toilet



**NEW** type school provides home surroundings where children learn by doing

**N**EW COMMUNITIES forming in various parts of the country from defense industry developments require new schools. Educational boards, the communities and the parents are asking: "What type of school buildings are these to be?" If the Crow Island School structure, recently completed at Winnetka, Ill., is to serve as a pattern, the little red schoolhouse of yesteryear and the "cigar box" classrooms will bow to modern architecture for a solution to the problem.

This school, with its homelike atmosphere and flexible arrangements to meet voluntary work and play activities, is a far departure from recognized standards. Even the janitor, who suggested the placement of radiators beneath outdoor steps to prevent ice from freezing on them in winter, will tell you that.

The building is a framework planned around the child's individual development, intellectually, physically and emotionally. Every one concerned was invited to contribute ideas for the school's construction—principal, parents, even the children themselves.

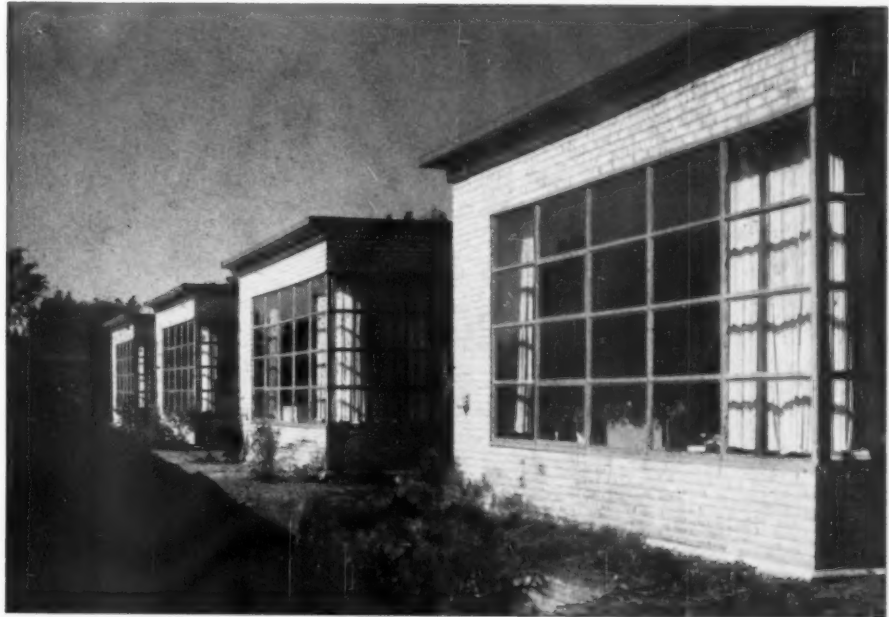
The general plan of the building is horizontal in design with but one main floor and basement. It is divided into three sections for three age groups—nursery and kindergarten, primary, and intermediate. There are 14 classrooms in all, each a complete unit within itself, with individual playground, workroom, and toilet facilities. The center section of the school, from



# Dress

which the classroom wings stem, has on the main floor a gymnasium, assembly hall, library, art room and offices. The basement includes a science and shop-room, pioneer room, music practice studios, a bicycle storehouse, and a clubroom and kitchen for teachers.

The architects have proved that humble materials can be beautiful. Yellow-tan face brick forms the exterior but brightly painted entrance doors and colorful ceramics add decorative interest. Large windows form two walls of each classroom that juts out like a separate little house. Since plenty of light and air are thus admitted, ceilings are of the nine foot, residential height, saving considerable on the building cost, and providing a housing for a battery of lights that are planned to cast overlapping illumination to all parts of the class and workrooms. All desk-top levels are free from shadows. A magic eye photoelectric control automatically adjusts light conditions.



Each of the 14 classrooms is a complete unit with workroom, toilet facilities, outdoor play and class area. Total building cost \$282,000



Classroom has specially designed desks and body-contoured chairs that can be moved to any part of room



Children learn about Indians by playing in specially equipped workrooms

Through the large area of window glass children obtain a perpetual view of nature. Growing plants and flowers, which they attend, are inside and outside. Curtains covering these large windows are similar to what the children themselves might have made—huge patches of cloth in the primary colors of red, blue and yellow on a natural background.

A window seat runs the full width of the windows and here the children congregate for story-telling hour, the change of sitting positions satisfying their urge to "fidget."

Walls of pine do more than act as partitions. They are of sufficient depth to contain cabinets and drawers for orderly

storage, open shelves for books, and objects the children fashion. The children love the feel of the wood and its ability to take thumbtacks without chipping. The pine planks serve as bulletin and exhibit boards. Maintenance is held to a minimum since no redecorating is necessary.

Tables for workrooms may be used singly for individual pursuit or adjoined for class work. Chairs are contoured to the body, encouraging proper posture. Desks are not secured to the floor, in regimented fashion, but may be moved wherever the class wishes. Workroom areas are where children "find" themselves, "learning while doing" those things they like best. All ceilings are acoustic;

and sliding, soundproof doors shut off this area from classroom study.

There are no direct connections between the different age groups' classrooms but all open into a long corridor. Doors are not numbered for identification. Primary colors on doors distinguish one room from another. The auditorium stage and theater is a model of efficiency with its acoustic ceiling constructed in planes so the weakest voice of a child will be carried to all sections. Benches give a maximum amount of space, each accommodating 16 adults or 20 children. The stage is a series of blocks that may be tiered to form steps, platforms and various other arrangements.

A library and a gymnasium for all age groups are located in the central area, as is a spacious lounge for communal activities and for parent-teachers tea. The comfortably upholstered furniture is such as might be found in the average well furnished home. —SHIRLEY WARE



Vintners are hopeful that wine may become a home beverage and cooking ingredient

# Wine-Making Goes American

By JOHN PERRY & ALFRED H. SINKS

**T**HE FINE art of making wines has come out of the cellar. During the Volstead Era it nearly died altogether. Then came seven lean years filled with new problems to be solved, grim obstacles to be overcome. Now American winemakers are hitting their stride. Grapes are ripening in thousands of vineyards from California to the Carolinas. The men who tend them look forward to the biggest wine year in our history, know that this year thousands of cases of American wines will be exported.

Only a few of the old traditionalists survived prohibition. Repeal brought a period of growing pains. Now it's

**VINTNERS** don't care whether their wine is served at a banquet or mixed with water, but they are concerned in proving that it is as good as European

essentially a new industry, built on \$500,000,000 worth of gleaming, new equipment that would appear strange and sacrilegious to the connoisseur of only five years ago.

Basically there is still no substitute for Nature's age-old method for producing wine by the conversion of grape sugar into alcohol through fermentation. Wine still requires storing and aging in wooden casks to reach maturity. But the engineer and chemist are now partners in today's wine industry.

In a modern winery bottles of fermenting champagne, once turned delicately by the hands of men whose fathers and grandfathers had taught them the art, are sometimes revolved by precision machinery, hundreds at a time. Glass-lined railroad tank cars may even be used for shipment. Ways that had



Oak storage casks in underground vaults age dry table wines. Proper aging means high quality



# FIGURES

## —the lifeblood of defense production

Coursing through the veins of all vital defense industries are the figures that keep materials and parts moving toward scheduled assembly points . . . insure the prompt payment of labor . . . and furnish management with statistics for prompt decisions, quick action.

Today — when minutes count — both government agencies and defense industries are meeting their figuring and accounting needs with various types of Burroughs machines that furnish the vital figures and records in less time, with less effort, and at less cost.

BURROUGHS ADDING MACHINE COMPANY  
DETROIT, MICHIGAN



*Today's* **Burroughs**

DOES THE WORK IN LESS TIME—WITH LESS EFFORT—AT LESS COST



gone unchanged for thousands of years did not always fit in with the American system of distribution.

Today wine making is as much an American industry as the making of cigarettes or canned soup, of radios, safety razors, automobiles or alarm clocks. Its aim is a good, standardized product, levelled at the average consumer and priced to his pocketbook.

The wine chemist's job isn't simple. Wine is a living, breathing organism. It has a span of life, and when it "dies" it becomes undrinkable. It is amazingly sensitive to change and surroundings. In open vats it will absorb—and be ruined by—the faintest of odors. Chemical reactions with metal pipes or tanks, or even with glass cause it to cloud or to precipitate. Incomplete fermentation, unclean containers, changes in temperature, may spoil a whole batch of it.

Many problems in wine chemistry are still unsolved. The wine chemist often has to turn detective and search, with the faintest of clues, for the elusive causes of spoilage.

Yet astonishing progress has been made. Modern wines will take much rough handling and still retain their fine and delicate flavors. Everything that touches your wine must be sterile. Equipment must be maintained at operating room standards. Air is filtered and held at exactly the right temperature and humidity. Fermentation and

aging are encouraged through controlled temperatures, brought to the optimum point speedily and surely. The wine is sediment-free and clear. Pumped into sterile tank cars, it passes through sterile filter pads.

Even the bottles into which it is finally poured have been subjected to rigid tests.

### The cork is replaced

THEN there is the small matter of the cork. Probably no other object of similar size is so fraught with strain, embarrassment, suspense and disappointment, as many a host knows to his sorrow. The problem has plagued wine-makers for years. Good corks are expensive and hard to get; poor corks don't protect the wine. So the industry has developed the new screw-cap closure. Many experts say it does the job just as well as the best corks. It's certainly a boon to those of us who lack that headwaiter technique with a cork-screw!

A source of endless worry and confusion is the problem of naming wines. Originally there were two types of grapes in the world. One grew in Asia, the other in North America. The Asiatic type was introduced to Europe centuries ago, and later to California by the Spaniards, where it thrived. Thus California has always produced wines similar in type to those of Eu-

rope, and often named them after their Continental prototypes: muscatel, port, sherry, riesling, and so on.

But the East, where the grapes that flourished were native to this soil, produced wines unlike those of any other part of the world. These bore native names. Iolhink, Franklin, White Elk Ives, Black Rose, Norton's Virginia, Marion, Scuppernong, Delaware, Eumelau, Cynthiana, Diana, Catawba, Concord, and Cunningham were some of them. These native types are growing in popularity, though California still produces nine-tenths of the nation's wine.

In California, names take no account of the differences in quality between the grapes of one area and the grapes of another. Grapes are sold simply as "red" or "white." In some areas, the yield per acre is much higher than in others. But it often happens that the grapes from low-yield areas are much superior to those from high-yield areas. Present buying methods fail to take this into account, so the vineyards with the highest yields make the most money, regardless of the quality of their grapes.

For the consumer this raises the unhappy prospect that the low-yield areas may be forced out of production and the average quality of the wine may go down. But the industry itself and California's alert department of agriculture are not going to let that happen if they can prevent it. Various remedies are being considered.

Many of the industry's leaders are

**Champagne is turned each day for six months. Worker wears wire mask to avoid injury from occasional exploding bottle**



## "Correct again, Noah Webster!"



THE DICTIONARY says that a "profession" is a "calling in which one professes to have acquired some special knowledge used by way either of instructing, guiding, or advising others..."

Under that definition, the proper sale and service of life insurance is a profession, for the trained life insurance agent is a man who has acquired special knowledge which he uses in guiding and advising others.

Because his calling is highly specialized, the agent has become more and more a career underwriter who works constantly to increase his knowledge and thus improve his ability to serve policyholders properly.

The Metropolitan agent, for example, is trained how to judge a family's life insurance needs and how to help each family buy the type of insurance best fitted to its needs. He learns to help distribute the protection properly among the members of the family.

The agent strives to keep the insurance protection fitted to the family's situation. He also learns to arrange modes of settlement so as to achieve most effectively the hopes and ambitions of the policyholder. On some policies, he collects premiums and sees that dividends are credited.

The agent often acts as trusted friend and advisor in problems connected with the family's policies. When a policyholder dies, the agent frequently helps the bereaved family by preparing the necessary papers and by getting the claim check promptly to the beneficiary.

The Metropolitan agent is interested in the health of policyholders and of the community in which they live. Because of this interest, he plays his part in Metropolitan's welfare service. During 1940, Metropolitan agents helped to distribute more than 52,600,000 booklets on health and safety problems. In addition, agents are instrumental in bringing Metropolitan's Nursing Service to policyholders eligible for this service. Last year, more than 3,100,000 nursing calls were made in over 7,500 American communities.

In short, the life insurance agent is more than a man who sells life insurance. More often than not, he is a career man, devoting his life to providing policyholders with the kind and amount of insurance protection they should have at the lowest cost consistent with safety.

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*This is Number 42 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.*

### **Metropolitan Life Insurance Company** (A MUTUAL COMPANY)

*Frederick H. Ecker,*  
CHAIRMAN OF THE BOARD

*Leroy A. Lincoln,*  
PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.







A shipment of California wine bound for foreign markets. The shutting off of European exports has opened a new field for American wines

urging that grapes be bought and sold according to variety and the region where they are grown. They feel that the wines produced from these grapes, instead of masquerading under names that hail from far away and long ago, should bear names that really identify them. Many a consumer would agree with them because, if that were done, his job would become less of a guessing game.

Others staunchly stand by the traditional wine names such as claret, burgundy, sauterne, rhine wine, port and sherry. These wines are blends in keeping with the traditional art of wine making. Blended wine is made of several varieties of grapes, sometimes of different years, according to the winemaker's own taste. Assurance of quality to the consumer in this case is the name and reputation of the producer rather than any particular variety of grapes.

Another problem which worries the infant industry is taxes; not the gross amount but the number and variety of them. Almost every state that permits the sale of wine has slapped a tax or two on it. Some require stamps on the crates, others on the bottles. Sometimes taxes must be paid at the border, sometimes in the retail shops. Many states attempt to boost the sales of their own wines by taxing wines from

neighboring states. A nationally-distributed wine must hurdle some 53 barriers before it finally comes to rest on the dealer's shelves.

The biggest problem of all is represented by the myriad retail outlets that stand between the men who make the wine and the men and women who drink it. Spoiled wine isn't fit for even the toughest palate, and, due to poor merchandising, a considerable amount of the wine sold over the counter today is spoiled.

#### Educating the dealers

FEW men in the industry deny this. Some, like Louis Petri of the Petri Wine Company, declare that, until methods of selling wine get a thorough overhauling, the new chromium-and-glass techniques of the winemakers will be largely wasted. The Wine Advisory Board is waging a vigorous campaign for dealer education as the one major job still to be done.

Spoilage today takes place at one point—on the dealer's shelves. Dealers will always replace a spoiled bottle, of course, because the winery invariably foots the bill.

But what appalls wine men is the knowledge that it is almost never returned. It's *drunk*. People drink it, decide they'd rather take castor oil,

never suspecting that the reason they don't like it is simply that it's *spoiled*. That situation is costing the industry many a customer.

Wine isn't difficult to keep in good condition, but you have to follow the rules. Not one dealer in 100 even knows them.

Few outlets are properly equipped to store wine. Exposed to alternate light and darkness, heat and cold in a show window, wine will inevitably spoil. For display purposes, dummy bottles ought to be used.

Sales clerks rarely have the knowledge necessary to help their customers choose a wine. They may suggest a table wine to a young housewife and let her take home half a gallon of dry wine—not knowing that dry wines oxidize rapidly when opened and should be consumed at one meal. Few of them can tell you how to store or serve your wine.

Fortunately the rules are few and simple. The new wines are not nearly so delicate or so temperamental as the old, and the manufacturers are pushing ahead with a series of educational campaigns directed at retail wine merchants and their customers. The customer is the court of final appeal, of course.

Mrs. Consumer still isn't any too sure  
(Continued on page 70)



"I could tell  
you 'Big Shots'  
a thing or two  
about  
figure work!"



• "In fact, I think I will! Because it's easy enough for you to sit behind glass-topped desks and raise blue blazes because you can't get vital control figures fast enough, or because they're inaccurate, or because it costs too much to produce them!

• "But I'm right on the figure-work firing line . . . and I know if I had one of those Model M Comptometers, I could turn out almost every kind of figure work *faster!* And it would be lots more accurate, too — because every time I 'fumbled' a key stroke (and who doesn't, once in a while?) the Comptometer's exclusive Controlled-Key safeguard would lock the keyboard until I'd corrected the error! *Perfect operating accuracy!*

• "I could tell you lots more about the Model M Comptometer: how they've eliminated zeros on the answer register unless they're part of the actual answer, and how feathery-light they've made the key stroke, and the no-glare answer dials, and — oh, lots of things that add up to *economy!* I know, because I've used all types of adding-calculating machines, on all types of work, and Comptometer machines handle *more figure work in less time* with the greatest degree of first-time accuracy!"

• Your local Comptometer Co. man is prepared to demonstrate (on your own work) how Comptometer machines and modern Comptometer methods can effect substantial savings in the handling of *your* figure work.

• Telephone him soon . . . or write to Felt & Tarrant Mfg. Co., 1712 N. Paulina St., Chicago, Ill.



# COMPTOMETER

REG. U. S. PAT. OFF.

ADDING-CALCULATING MACHINES



and  
Your Business



THIS corner's Man of the Hour is Congressman Robert F. Rich (R.), of Woolrich, Pa. He is connected with four colleges, some banks and factories and is a thirty-third degree Mason. His colleagues like and respect him. For eight years he has been making an eight word speech in the House;

"Where are you going to get the money?"

"Yah," the other congressmen have laughed. "Good Old Bob." "Funniest ol' guy—" For eight years they have been wiping the tears out of their eyes. Entering on the ninth year they do not laugh at Rich's eight word speech. They just—to be a little cultural at this point—they sort of gobble.



### Exercise in Arithmetic

THE 1941 tax bill will bring in \$4,000,000,000. Everything will be taxed down to and including the baby's pants. Secretary of the Treasury Morgenthau, who should know, and Senators Taft and Byrd and Congressmen Taber and Woodrum, to name four out of the 500-odd men in congress, say the non-defense costs could be cut by \$2,000,000,000. Two billion dollars subtracted from \$4,000,000,000 leaves \$2,000,000,000.

If the subtraction were made, then the tax bill could be cut in half. The man who next March will pay \$40 to the government would in that event pay only \$20. The other \$20 could be devoted to putting new shoes on Baby. No one thinks that now or at any predictable future time Congress or the Administration will try to save a split dime. Senator Byrd is trying to put

into effect the suggestion made long ago by the Chamber of Commerce of the U.S., to fit the tax-writing and the spending committees of congress into a frame with the Treasury and the budget, so that the Government could conduct its fiscal affairs with the intelligence of white mice. Prospects nix.

## Digging Up an Old Bone

THE man who is reputed to be the most skilful mediator in the country is being quoted:

The National Mediation Board is not a mediation board at all. The President's executive order by which it was established gave the Board the right to arbitrate when mediation fails. The two functions cannot live in the same house. No matter how soft spoken is every one, the fact remains that the Mediation Board is boss so far as industry is concerned. A struck plant must obey its ruling or do as the federal people at Kearny did and turn the works over to the Government.

The catch is that, if the Mediation Board should rule against labor in a given case, it has no power to compel the men to go back to work. They could thumb their collective noses. He foresees more strikes, "Why not?"

## Secretary Perkins is Blamed

THE men on the War Labor Board of 1918 were nominated by industry and labor, at the instance of Secretary W. P. Wilson, and got along beautifully. As soon as the Board began to function labor troubles ironed out automatically.

Insiders say that the executive order creating the present Mediation Board was written by Secretary of Labor Perkins, and that under the tremendous pressure of work it is unlikely the President fully realized its implications. Miss Perkins is a firm believer in the centralization of authority.

## A Short Circuit for Leon

DON'T look now, but good authority on Capitol Hill doubts if the Leon Henderson price control bill will be enacted as written. Reasons assigned are that no price control law can work if crops and wages are left uncontrolled, and that, although Leon Henderson was liked by the examining congressmen and his mastery of his subject admired, his qualities as a practical administrator were questioned. In any case no action before November.

## One of those Roundabouts

OBSERVERS of the S.E.C.'s operations note that the enforcement of the Holding Company Act is bringing about the return of the intrastate control of operating companies.

Yet it was the charged inefficiency of control by state regulatory bodies that was largely responsible for the venture into federal regulation. Implication is that S.E.C. will try to find some other way to forestall a return to the errors of the 20's.

## A Mardi Gras of Committees

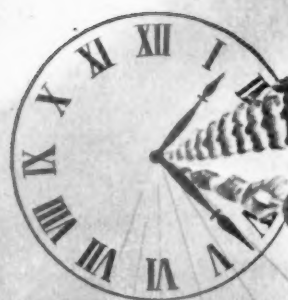
THOSE who have been dazzled by the procession of committees in the Defense Program are not inclined to go completely overboard for S.P.A.B. This is the committee to top all other committees and is headed by Vice President Wallace and Donald Nelson. One of the pessimists said S.P.A.B. reminded him of the deathbed of the old gambler:

"So you say Heaven's in the bag?" he whispered

NATION'S BUSINESS for October, 1941



# SAVING BRAIN HOURS AND HAND HOURS



*creates new production hours*

**T**IME is the most important ingredient in our National Defense effort. Substitutes may release essential materials to defense uses but *there is no substitute for time.*

Hours of *delay* caused by bottlenecks in routine are lost forever. Hours spent in tracing and correcting *mistakes* cannot be replaced. *Wasted* hours resulting from incomplete or misunderstood instructions are irreplaceable.

But thousands of industries engaged in defense work are *conserving* brain hours and hand hours through the application of Addressograph, Multigraph and Multilith methods and equipment to many business operations.

Vital work in these offices, shops, plants and factories is speeded up. Procedures are simplified. Errors are avoided. Waste is eliminated. Effective controls are established. Instructions are clear and accurate. *Time is saved. Money is saved. Material is saved.*

**TO USERS OF OUR PRODUCTS:** The services of our Methods Department and Agency representatives are available to assist you in extending the use of your present equipment and broadening its effectiveness. Take full advantage of these services, for which there is no charge.

## ADDRESSOGRAPH-MULTIGRAPH

### METHODS HELP TO:

- Conserve Productive Hours
- Improve Payroll Procedures
- Speed Up Order Handling
- Simplify Purchasing Routine
- Provide Accurate Instructions
- Speed Out Communications
- Eliminate Errors in Routine
- Safeguard Investment in Materials
- Simplify Record Keeping
- Simplify Preparation of Reports
- Control Machine Maintenance
- Safeguard Capital Asset Records
- Lower Operating Costs

ADDRESSOGRAPH-MULTIGRAPH CORPORATION • Cleveland, Ohio

SHOULDER TO SHOULDER WITH YOU IN AMERICA'S DEFENSE



to the parson. The minister gave what assurance he could:

"I hope you're right," muttered the dying gambler. "But in my book it's eleven to two it come hell."

## The Ray of Hope

OPTIMISTS believe that the President has finally realized that no man can play all the fiddles and still dance on the floor. Complaints that the main bottleneck in the program is on his desk have come from too many friendly quarters to be further ignored. The optimists point out, too, that even those who did not enjoy what seemed to them his fancy ideas gave Wallace full marks as an administrator when he was Secretary of Agriculture. No one has ever suggested that Nelson was taken out of the water too soon. They do not believe he would accept the new post as executive director of S.P.A.B. unless he had been assured that when he gives an order it will stick.



## Everyone's Getting Tough

FURTHER comment is that the leaders of industry are showing signs of hardening up. For two years every delay and mistake and bypass and failure has been blamed to them:

"You must do more and better" shouted that School of Elocution which centers in Washington. "This is the greatest industrial country in the world—and just look at you!"

Industry is shooting it back at government now. Failure in foresight and in programming is charged. The only man in government who raised his sights high enough to shoot near today's mark was Assistant Secretary of War Louis Johnson. He called for more and larger stockpiles and up-to-the-minute and workable plans. (Present Undersecretary of War Patterson is being quoted on that.) Johnson asked for 25,000 planes a year and a little later he was dropped. These are unpleasant things to say. The industrial leaders do not suggest that the men in Washington are not honest, zealous and brilliant, but some of them are not as big as their breeches. Unless steps are taken to eliminate the confusion and stop losing man-years in Washington a spotlight may be turned on.

## Morale in the Army

"I WANT to get out of the Army," said one of the young soldiers. He is an ace in every way. Good family, good health, husky, hard, a patriot:

"In my outfit we haven't seen a gun. We wouldn't know how to handle guns if we got 'em. The only thing I have learned in five months is how to make beds. I'm not kidding. How to turn down the sheets and everything—"

## Signs of the Weather

CONGRESSMEN returning from visits home note that the tone of interventionist propaganda has changed. Less is being said about the needs and suf-

ferings of other peoples and emphasis is being placed on the national interests of the United States:

"Our people are not buying a crusade."

Complaint is also heard that the constituents feel they are being kept in the dark by the Government. They want to know more about what is going on.



## A Bit of Biography

SOME people call Julius A. Krug the Czar of the Utilities. He is the O.P.M. engineer who is fitting all the producers of electrical power, public and private, into one defense frame. He has money to spend, unlimited bossing authority, and a sedate and amiable temperament. Neither New Dealer nor reformer, but just an engineer. When he applied for a job with the F.C.C. some years ago he gave two professors in the University of Wisconsin as his references:

"Where did you last hold a job?  
In a filling station."

He is 34 years old, six feet three, weighs 230 pounds, and works 12 hours a day. All utility hands seem to be friendly to him.

## "Two if by Sea . . . ."

NAVY is planning to set up a "chart room" in London. In it daily movements of all units of British and American navies will be charted. This will aid coordinated naval action if and when the time comes. Navy does not say whether there is to be unity of command and if so whether the unified commander will be a Sea Lord or an American Admiral. That would come under the vague and elastic definition of voluntary censorship. Presidential son-in-law Boettlinger kicked the navy's idea of censorship around pretty heartily in his Seattle newspaper. Net result minus.

## Before the Censor Comes . . . . .

STRONG garrisoning of island outposts and strategic points in South America is being planned. Army is opposing scheme for a new A.E.F. Not enough ships to move the troops and no sign that there ever will be enough. Nevertheless Administration proposes an army of 3½ million men eventually. Conscripts released can and will be called back if and when needed. Administration thinks war will last through 1943.

## A "Kearny" is Coming

BEDROCK dope on the railroad situation is that the Presidential fact-finding committee will recommend a wage increase. Railroads will refuse, men will threaten a strike, compromise will be reached on about one-half of the 41 per cent average increase demanded. Government operation urged by some of the more ardent social shifters, as a step toward government ownership, but government burned its fingers that way in 1918.

## One Priority Worked This Way

SENATOR Brewster (R., Me.) made a trip to Alaska, which is being placed in readiness to resist either

# Industry's Big Problem:

## *The Minor Injury*



*U. S. Industry allows minor infections to pick its pockets of millions of dollars each year. A planned safety program protects you against this ravage. Lumbermens Engineering Service plans your program and carries it out in detail.*

Skinned knuckles . . . scratches . . . slight cuts and abrasions—put them all together and these seemingly trivial accidents spell hundreds of millions of dollars in losses to industry each year.

Perhaps you, like the average plant operator, figure that losses resulting from these minor infections are covered by your workmen's compensation insurance.

They are—as far as medical care and compensation are concerned.

*But . . . four times greater than the total amount paid out by your insurance company each year are the hidden costs of accidents which come out of your own pocket.*

Hidden costs include loss of skilled services; damage to machinery and product; precious time squandered in repairs and in training new workers: all of which boils down to lowered efficiency, morale, production and, naturally, profits.

Your best protection—*your only real protection*—against these often ruinous hidden costs is a planned safety program.

The cost? Not a cent. Our staff of safety experts makes a systematic study of your plant and discusses its findings with you. If you say the word, a program is drawn, launched, carried out in detail—no interruption . . . no fuss . . . no cost.

We do this not as a kindly favor but as sound business procedure both for you and for us.

By drastically reducing accidents in your plant, slashing away at the hidden costs behind them, our losses are cut as well as yours. The cost of your compensation insurance drops, your profits rise. It's as simple as that.

One of our experts will gladly acquaint you with the details of our free Engineering Service—without obligation.

Drop us a line—today.

# Lumbermens

## MUTUAL CASUALTY COMPANY

JAMES S. KEMPER, President Home Office: Mutual Insurance Bldg., Chicago  
Operating in New York State as (American) Lumbermens Mutual Casualty Company of Illinois  
Affiliate, American Motorists Insurance Company



the Son of Heaven or Joe Stalin; "The first shipment reaching one post," said he, "was of 360 refrigerators. The ground is frozen 100 feet deep."

The second shipment was of guns. But the guns had no sights.

### Millions Buy Hard Times

O.P.M. agents are notifying single-industry cities there is danger ahead.

"Hush-hush," say the O.P.M.ites. "Say nothing. We do not wish to alarm you. But there is a secret list of 50 such cities each supported by a single industry. If these industries are prioritied out it will be just too bad."

O.P.M. should have taken the A. F. of L. into its confidence. A month ago A. F. of L. had a list of 1,500 threatened single-industry cities in the New England area alone.



### Here's the Way it Goes

NINE out of ten of the small manufacturers who responded to the call for information by the Chamber of Commerce of the U. S. A. on their priority experiences report they must reduce their operations:

We should have received warning more in advance so we could have protected ourselves.

They have been told to use substitutes for the raw materials they are no longer able to get. But the substitutes, too, are on the priority lists. Priority procedures, too, are so complicated that manufacturers do not know how to approach the problem of getting relief. Impression of on-the-spot observers in Washington is that small manufacturers who come on in person are often subjected to brusque brush-offs by underlings.

### Here's a Free Sample

A MANUFACTURER of metal bracelets for wrist watches wanted to buy \$40 worth of stainless steel wire. He was not on a priority list. No one, presumably, thought it worth while to put a \$40 customer on a list. So he did not get the stainless steel wire. So he laid off 350 people.



### If You Enjoy Graphs

THE Bureau of the Census has discovered that the human race is being added to in urban areas at a rate below the 100 per cent required to maintain a "stationary population if birth and death rates remain unchanged," whereas the rural areas of almost every state had reproduction rates above 100 per cent. The rates for whites in the country as a whole was 94 as against 107 for nonwhites. Not to bother

with more figures there are plenty of graph experts in Washington who could project the lines to that point in the future when only one man would be left alive in the United States and he would be out on a farm and, in the delicate words of the Census Bureau, a nonwhite. Maybe we need not worry about that.

### Disarming the Proletariat

AMERICAN Communists continue to look forward happily to the Revolution, according to the unpublicised reports of the various investigating agencies. Disregarding the fact that if they ever started anything the Communistic ears would be batted down until they looked like Paisley shawls the Communist field orders state that:

We must disarm the loyal proletariat.

Authority for that statement is the National Rifle Association, which is vigorously fighting the bill urged by Administration forces for the registration of all privately owned firearms. The N.R.A. maintains that the registration of such firearms would make their confiscation easy when The Day comes.

### More Sailors are Needed

AN official who knows about marine transportation came on the wire:

How are you off for seamen for the new ships?

His language was actionable. Sailors, he said, are taking better paid jobs ashore. When the new ships are built he did not know how they could be satisfactorily manned. The arsenal of democracy, he said bitterly, will find it difficult to supply the needs of the world over the radio.



### 1888 Saw into the Future

IN a batch of 20,000 pamphlets bought by Emil Hurja, the political statistician, for the amusement of his leisure, he found this prophecy uttered in 1888 at Kensington in England by James Stanley Little, of the Imperial Federation:

By 1965 Ireland will have secured home rule, England will have rid herself of her colonies, the British navy will be powerful, the island an armed barracks, and marriage will be a terminable contract. The monarchy and the House of Lords will have been saved from extinction by their policy of acquiescence, Canada and Mexico will have been absorbed by the United States, France will have disappeared into the German empire, China will have been taken over by Russia, Japan will be fighting for its life, and war will have broken out between Russia on the one side and the English speaking commonwealths of the United States, Australasia and South Africa on the other.

Here's the cracker:

I saw the Prime Minister accepting a light for his long cigar from the leader of the Socialists.

*Herbert Corey*





Glass containers for milk, drugs, cosmetics, foods, wines and liquors will be sealed with sanitary aluminum tailor-made closures that are secure, yet easily removed.



Some day medicine, coffee, dehydrated foods, tobacco, candy will be delivered in handy hermetically sealed moisture-proof packets of aluminum foil.



New manufacturing developments will enable packers to deliver an ever-increasing list of products in convenient, sanitary aluminum collapsible tubes.



Right now, the safety of America is being "delivered" in an aluminum package. Life, liberty and the chance of happiness for all of us are being "delivered" in aluminum that is roaming the skies and plowing the seas the world over.

But there is a day coming when defense will no longer require every ounce of aluminum . . . when the enormous producing capacity which the aluminum industry is rolling up for defense will be released for civilian use . . . when Alcoa aluminum will come flooding into your home.

That day will see many spectacular changes, but none of them more rapid or revolutionary than the changes in

the methods of packaging. That day will bring Alcoa aluminum

#### A Heyday for Packaging

Looking toward that day we are carrying on our research and development of Alcoa aluminum packaging materials to make them even more efficient, economical and attractive than ever before.

Some of the inherent advantages of aluminum packaging materials are:

- Light Weight
- High resistance to corrosion
- Moisture proof
- High Conductivity for Heat
- High Reflectivity for Light and Radiant Heat
- Workability
- Non-magnetic
- Non-toxic
- Non-sparking
- Appearance
- High Scrap and Re-use Value

in quantities and at prices that will permit packaging designers to do the things they have longed to do with that most natural of all packaging materials . . . aluminum.

For instance, one industry already figures it can cut its shipping costs a half million dollars a year with aluminum packages . . . Growers plan to get fruit and vegetables farm-fresh to your table in aluminum wrappings with more juice and precious vitamins. In fact, packers of all types of products will take advantage of sanitary, moisture-proof, light-proof, economical Alcoa Aluminum packaging materials—tubes, foil, seals—when they are again plentiful.



Mr. Feather is here modelling a British-made nightshirt which, he says, is the ideal sleeping garment.

**A**S FAR back as I can remember, I knew that something was wrong with the beds in which I slept. In my early youth the beds weren't right because in winter I was cold. I usually slept like a crouching frog because my feet were the temperature of ice. The trouble, I suspect, was that the covers were short and maybe cold air came through the mattress.

In the college fraternity dormitory we accepted what we could find, our lot improving as we moved into the upper classes. The beds were narrow cots, sheets were changed semi-annually and the blankets were thin.

When I married, my mother-in-law, out of respect for my length, which was something over six feet, had a double bed specially made for me and her daughter. It

## Rhapsody on a Feather Bed

By WILLIAM FEATHER

**MACBETH** hath murdered sleep but verily our author hath found a formula to revive it

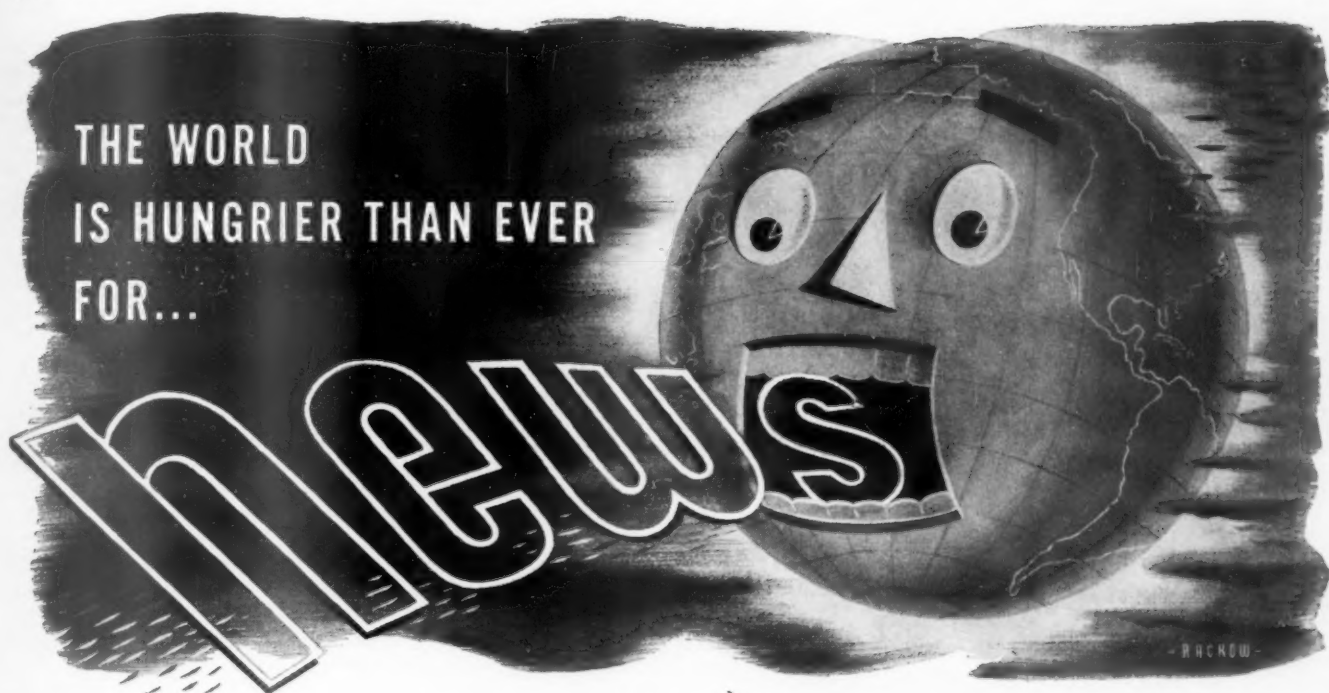
was longer and wider than the standard double bed of its day; that is, 1912.

Not until lately did I analyze what was wrong with that big bed. The trouble was that the sheets, blankets, and covers, bought from the regular store inventory of the day, were made to fit a standard double bed. For comfort and warmth, sheets and blankets must hang far over the sides of a bed. Sheets must be big enough to permit ample and secure tucks. Blankets must hang nearly to the floor and, after secure tucking at the foot, must extend



PHOTOS BY CRAIG

Soft comfort, or breakfast in bed. Note table, three-way lamp, fluorescent lamp (bought since story was written), bookcase, radio, alarm clock. Oh, boy!



## How this appetite for news is fed

What happened in Europe today? What did Congress do? Who won the golf title? And, nearer home, will it rain this week-end?

We want fast answers—and we get them through newspaper, newsreel and newscast. Do you know that these purveyors of news gather it largely on equipment produced by one organization?

\* \* \*



**The newspaper reporter's  
right arm is the telephone  
—made by Western Electric**

Using the long arm of the telephone, the reporter can reach out to thousands of inaccessible spots, scoop up the news and bring it to his own desk. When he is in the field, telephones everywhere put him in instant touch with his paper.



## News while it's fresh is flashed over Western Electric Teletype machines

The great press associations send out thousands of words every day to papers all over the country. These stories go by Teletype machines which make for speed and accuracy. And they travel over telephone wires—another Western Electric product.

## Western Electric made the first commercial telephoto equipment

Many newspapers publish photographs which come over the telephone wires—and by means of sending and receiving apparatus which Western Electric made. Here illustrated is an operator about to transmit a picture to a group of newspapers.



## Many newsreels are recorded and reproduced by Western Electric Sound System

The sound newsreel and, indeed, the talking picture itself were made possible by the pioneering work of Bell Telephone Laboratories and Western Electric.



## Most radio news travels over Western Electric telephone wires



Many radio stations broadcast over Western Electric apparatus. Moreover, network programs come to your local station over telephone lines and through control centers equipped by Western Electric.

\* \* \*

Though it plays these varied parts in your daily life, this Company is of greatest importance to you in its primary role—that of source of supply to the Bell System. As such, it is the telephone users' assurance of equipment high in quality, low in cost, dependable in operation.

# Western Electric

... is back of your Bell Telephone service

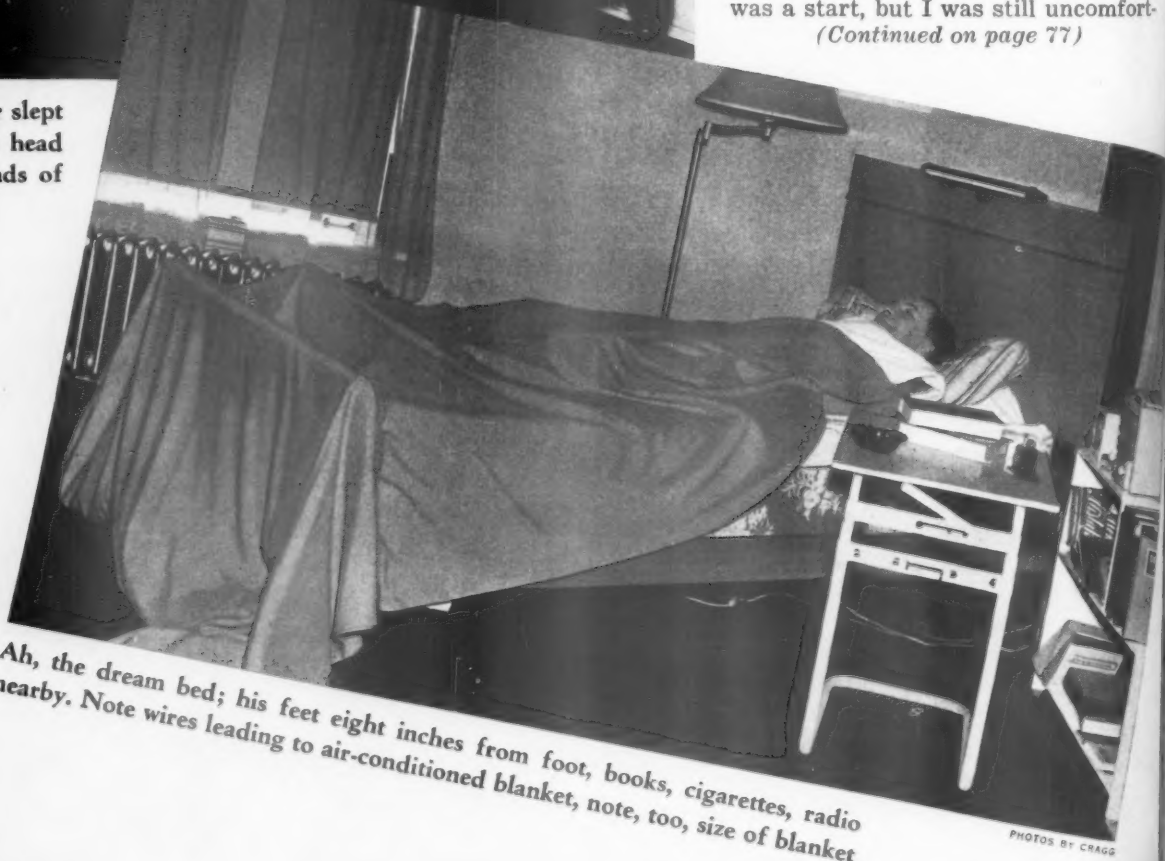




Artist Charley Dunn helps Feather demonstrate the shortcomings of the fraternity dormitory bed, occupied usually by two, except at reunions, when three squeeze in



In this bed Feather slept for 25 years. Note head and feet against ends of bed



Ah, the dream bed; his feet eight inches from foot, books, cigarettes, radio nearby. Note wires leading to air-conditioned blanket, note, too, size of blanket

to the chin of the sleeper or sleepers. Sheets and blankets merely covered the top of that big bed.

In the course of the succeeding 25 years, we spent about \$300,000 for various items. We bought three town houses, a farm, automobiles, refrigerators, a pony, a cow, and six pedigreed dogs. We sent our children to school and college. We joined a country club and went to Europe.

#### Studies on a sleepy subject

IN the early '20's I read the Mellon Institute's study of sleep, paid for by Simmons. I knew then that I needed new sleeping equipment but, being essentially an unselfish person, I postponed doing anything about it. We had acquired twin beds, just a fraction more than six feet long. They creaked and the sheets and blankets were too small. My feet were usually cold, but I had too many other money worries to contemplate buying anything so unnecessary and strictly private as a new bed for me, alone.

The years rolled on and, in 1930, Dr. Laird and Muller published their book on Sleep, proving from researches conducted at Colgate University that nearly everybody was spending a third of his life on a bed that was too narrow, too short, too soft, or too hard. I wrote a brief article on the subject, explaining to my readers that it was indefensible false economy to put up with an inadequate bed. I did nothing else about it until the middle '30's when I went so far as to buy a new mattress for my bed. It was six feet two inches long, 39 inches wide and cost \$39.50. That was a start, but I was still uncomfort-

(Continued on page 77)



## PRESTO! *From Petroleum* TO SILK

**Y**OUR eyes don't deceive you. For that lustrous lingerie, the lady can thank an oil well!

First, at Shell's research laboratories, scientists performed amazing chemical feats with petroleum molecules. The result was a product used during the making of filaments for artificial silk.

Through similar chemical acrobatics, Shell scientists have helped give America a potentially unlimited supply of glycerine, synthetic rubber, TNT, and a greater supply of Vitamin E.

This knowledge of petroleum molecules is not only a factor in America's increasing economic independence, but is responsible for the constant improvement of Shell fuels and lubricants.

• • •

With today's need for expanding production, every development in industrial lubrication has added significance. Shell's \$3,500,000 research facilities, manned by 821 scientists and assistants, are making important contributions. The revolutionary new Shell Turbo Oil is an outstanding example.

In literally hundreds of instances Shell lubrication engineers have led to increased production and lower operating costs, by changing lubrication methods.

Before Shell industrial lubricants are offered, they are plant-tested under all kinds of actual operating conditions.

Using Shell lubricants, you are assured the continued watchfulness of Shell men—a service which needs no prompting.

Are you quite sure that your plant has the benefit of all that is new in lubrication as it develops?



# SHELL INDUSTRIAL LUBRICATION





The old folks today make up the most powerful political group in America

# They're All Afraid of the Old Folks

By J. GILBERT HILL

**H**AVE you ever sat in a state legislative chamber and felt fear, like a huge, terrifying cloud, descend upon the representatives of the people?

No?

Then, you haven't been there on the days when the old folks swarm the capitol to demand more, and larger, pensions.

Half of the old folks who totter into the legislative galleries will be dead in five years; two-thirds of them in ten. Is their *only* interest to live these last

years with as much freedom from financial worry as possible? Or, are they simply forgetful, unthinking, under the blandishments of their leaders?

Government has assumed the responsibility for taking care of those past 65 who, through bad luck, irresponsibility, laziness, or lack of intelligence, cannot care for themselves.

Americans revere their old folks. A retired Mother and Dad, and Old Grandma sitting by the fire knitting, are woven into our picture of what

**OUT OF** tradition and love has emerged a lobby that has intimidated the men whom the citizens of this country have elected to represent them and added lavish millions to taxes

should be right with our world. It takes a brave legislator under any circumstances to say "No," to any demand of such loved ones. And these loved ones, and their children, vote.

Out of tradition and love, then, has emerged a lobby which has intimidated the men whom the citizens of this country have elected to represent them.

The lobbyists are aided and abetted by public servants to whom bigger and better old age assistance promises much higher paying jobs under a quasi-civil service setup for life.

It was the "public servants," in fact, who, for the first time since the Boston Tea Party, promoted passage of a law which will prevent American taxpayers from inspecting the records to find out where their money is going, who is getting it, and how much!

Last year fewer than three of each ten persons more than 65 years old received old age assistance, averaging but \$20.10 a month.

## Pensions become more expensive

THE bill, paid by state and federal treasuries, was \$453,300,000. It will be larger with more liberal payments voted recently. Yet, the nation shuddered considerably over a \$1,000,000,000 program for military defense.

To get the comparative picture, in a nation where billions are tossed around so freely these days, the total cash value of the nation's wheat crop last year was \$510,667,000. This was only \$57,367,000 more than the cost of paying needy old folks. The oats crop was enough to pay only about half the bill, \$276,891,000. And the entire South existed on but little more for a year, since its cotton crop was worth but \$536,744,000.

This ignores statistics indicating that America, with a falling birth rate and increasing health, will have a constantly growing percentage of population more than 65 years old.

Neither does it consider the possibility of lowered age brackets and increased pay.

Payment of pensions—and all those most interested insist upon the payments being called pensions or Old Age Assistance, not charity—is limited



# PHOTOMYSTERY

See How Good a Detective You Are!



Try to Solve This  
Short-Short Mystery

## The Case of THE MISSING CUSTOMERS

1. It was near the witching hour of midnight and the solitary figure of a man was nervously pacing the fog-shrouded waterfront. Suddenly he spun around, confronting a mysterious stranger who had been lurking at his heels. Half-fearfully, half-defiantly, he demanded: "Say, what's the big idea — what's all this Scotland Yard shadowing about?"



2. "Sorry, old chap, my name's Mr. Oto, the detective. I see you're in some kind of trouble. Maybe I can help you." The other man smiled skeptically: "I'm afraid you can't do anything for me — I'm Don White, a depressed advertising manager."



3. White continued: "I just got a good going over from the big boss. Competitors are making inroads into our business, and our advertising is on the spot. But, hang it all, I'll eat my hat if our ads aren't better than theirs! Here, you take a look at 'em."



4. "Yes, you're right about that. This copy fairly makes my mouth water, and those pictures *have* class. Say—could it be that competitors are doing a better job of getting their ads seen and read?" "No," growled White, "I'm pretty fussy about media selection."



5. "Very interesting," mused Mr. Oto, with a meditative gleam in his eyes, "but have you really checked your competitors' advertising space *thoroughly*?" "Of course I have," White snapped impatiently. "We buy more space than our competitors, and if that isn't enough evidence for you, we buy it *in the same newspapers!*"



6. "Oho!" cried Mr. Oto, now all smiles, "I think I've got the answer now. You may buy more space in the same newspapers as your competitors—but *not in the same section*. Surveys prove your competitors may well be getting from 20% to 80% more readers per ad than you are. You should...

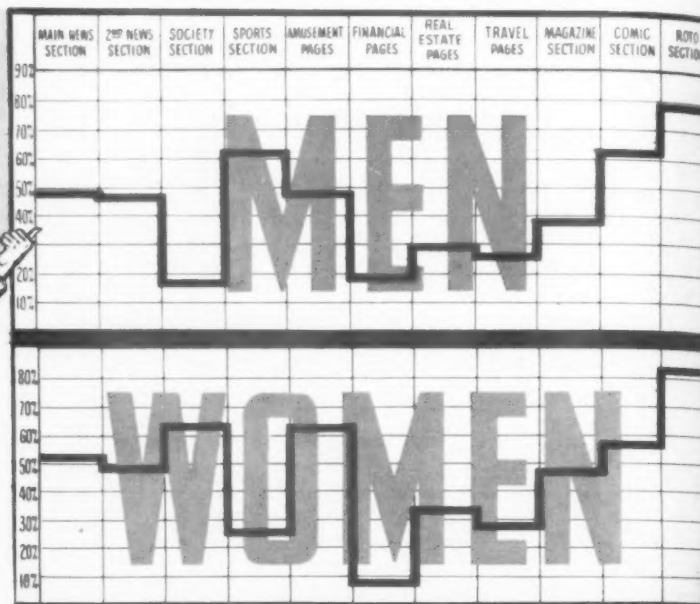
(Before you turn the page, see if you can find out how Don White can get more results from his advertising.)



**"Count the *Readers Per Dollar* Instead of the *Lines Per Dollar*..."**

**Then You'll Go ROTO, too!"**

**"This Gallup Method Survey gives you the answer to your problem. It shows the average reader traffic for each section of the Sunday newspapers surveyed."**



"In the roto sections," declared Mr. Oto, "every ad gets 'preferred position'. Every page is packed with human interest material that brings readers closer to the ads."

"I see the point," said White, "and the clear-cut reproductions of roto sure do add quality to product pictures. Roto's extra zip gets the story across quicker, more effectively."

"Furthermore," summed up Mr. Oto, "roto advertising gets *more attention*, and *longer-lasting attention*. Take my word for it—you'll find the key to your missing customers in roto!"

## LET ROTO SOLVE THE PROBLEM!



**KIMBERLY-CLARK CORPORATION**  
NEENAH, WISCONSIN

Established 1872  
**Manufacturers of  
Quality Printing Papers**

NEW YORK  
122 East 42nd Street

CHICAGO  
8 South Michigan Avenue

LOS ANGELES  
510 West 6th Street





then apparently only by what states will, or can, squeeze from taxes to match borrowed federal funds. The latter, of course, must be paid back, presumably, in some dim, future time when these old folks are gone.

Isn't it strange that so many of our supposedly unselfish old people do not see that the federal funds used to pay pensions are a mortgage upon the future of their children, grandchildren, and great grandchildren?

Average private citizens still are the federal Government. They'll pay the bill. They are borrowing now against their own old age security.

Our present system, undoubtedly, is better than the poor house. There's no argument about that. Perhaps \$500,000,000 isn't too much to pay for the care of the aged poor, if the money really goes to those who could get along no other way.

In one wealthy, rural Oklahoma county there were but three old persons at the "poor farm," before the pension system was established. Now dozens—no citizen is allowed to know exactly how many, and whom—receive "Old Age Assistance."

Rumors are plentiful. They cannot be proved because of official secrecy concerning the number of community deadbeats who have moved in with the old folks to be assisted, too.

National Old Age Assistance is but five years old. It began with a program setting up a maximum of \$30 a month, with the federal Government matching state funds.

#### Increases continue

STATE leaders knew they were paying taxes to support the system. So they rushed to meet requirements to the maximum. With all 48 states, and all the territories complying, the federal Government has raised the ante to \$40 a month.

The report of the Social Security Board for 1940 says "there is a continued increase, though at a rate less rapid than in previous years in the number of recipients of Old Age Assistance . . . under the Social Security Act."

Average monthly payments actually paid ranged from \$7.57 in Arkansas to \$37.95 in California. Colorado, which

paid \$33.75 a month, dug down in its pockets at the rate of \$14.31 for every man, woman, and child in the state, to meet its share of the bill.

Oklahoma has managed to get 611 of every 1,000 persons more than 65 years old on its rolls to set the pace for the nation in this respect. Colorado has 508, Utah 505, and Arizona 479. The District of Columbia has the smallest number per 1,000, only 80, while New Hampshire has but 109. The average for the nation is 249.

While even \$40 a month won't pay for a mansion, it appears we're trying and taking on all comers who ask for one. Therein lies the danger, not only to the financial stability of all government, federal, state and local, but to the pension plan itself. If government fails, or even grows extremely poor, what then becomes of pensions, unemployment insurance, or social security retirement?

But Old Age Assistance is but a baby octopus as yet. The twin hand maidens who are feeding, pampering, and protecting it include:

1. Legalized secrecy concerning public records.
2. Racketeering leaders, often men under 40, who take every month the dimes and quarters of people receiving charity, and organize the lobbies which are dangerous to the point of government subversion.

Secrecy surrounding records of expenditures of public money is perhaps the most vicious!

At least the racketeering is out in the open where a man with the nerve—governor, legislator, or private citizen—can step on it.

But no citizen can testify to waste, mismanagement, use of public money for political purposes, or outright embezzlement, if the records concerning the use of his own money are closed to his inspection.

The Social Security Board also says in its 1940 report, that:

Another amendment which becomes effective on July 1, 1941, requires the protection of the confidential nature of public assistance records. This amendment will present serious problems in only the few states where . . . long standing legislation requires publication of all expenditures . . .

In some instances this legislation has led to the recurrent publication of the names, addresses, and amounts of assistance of all recipients of aid and has resulted in humiliation, and sometimes the exploitation, of recipients.

But what the Social Security Board  
(Continued on page 64)

**Hard-working old people whose income is gone should not be forced to beg for food and shelter**







**R. H. Fleet, pres., Consolidated, was Capt. in air service—helped start air mail**

## War Birds Sprout Peace Wings



**Eugene Wilson, president United Aircraft, graduated from Annapolis. Learned to fly at Pensacola. In service 25 years**



**Jack Herlihy (left), vice pres. and operations manager of United Airlines, learned to fly in the Army**



**Below: Col. Jouett, pres. Aeronautical Chamber, formerly of Fairchild. Once he commanded 3rd Attack Group**



**Above: J. H. Kindelberger, North American president, is a former Air Corps pilot**

**T**HE U. S. ARMY is on the hunt for flyers. It holds out the lure of adventure, patriotism and the old urge to "get going" which has always infected American youth when there was a perilous job to perform. Army spokesmen are also pointing out, as a more practical incentive, the large number of former Air Corps men who are now top executives in the aviation industry.

Best known flyer now in an executive position is probably Capt. E. V. Rickenbacker. But the top flight ranks of airline and airplane manufacturing company officials are thickly dotted with men who won their wings while taking orders from admirals and generals. The executives pictured on this page may not be as well known to the general public as the almost legendary "Rick" but to men in the industry they are among the leaders who have made airplanes indispensable to American life.

The executives shown here are only a few of the many who started their careers in military or naval environments. There are many others who hold engineering, construction and technical jobs in the industry as well as those who remain pilots. At present, airline pilots receive an average of \$600 a month, and the pay of co-pilots ranges between \$190 and \$350 a month.

The course of instruction requires about nine months, with pay of \$75 for each month of training, and schooling in navigation, meteorology and radio as well as flying.

Candidates for appointment as flying cadets must be unmarried; not less than 20 or more than 26 years old; have completed two years of college or pass a written examination; present evidence of good character and be of sound physique. Cadets who fail to qualify as pilots can still obtain commissions as bombardiers, navigators or observers.

Unitrol Uses a  
Standard Starter.

# A Cutler-Hammer Message

TO EVERY EXECUTIVE  
CONCERNED WITH PRODUCTION

Fits it into  
a new sim-  
plified con-  
trol mount-  
ing frame.

The moment you are ready to change a motor control unit, buy a new machine, expand or rearrange a production department... then you are ready to consider

## UNITROL

REG. U. S. PAT. OFF.

Combines it  
into a flexible  
built-up Section.

UNITROL is a new method of housing, installing and organizing Motor Control. Unitrol saves much valuable space, groups Motor Control for easier, speedier and more economical installation, and provides greater accessibility. It simplifies installation, replacement and change. It reduces and even eliminates the need for special building and plant alterations and extensions.

Basically, Unitrol is the boy's mechanical building set idea applied to Motor Control. Utilizing standard starter or control units, it begins by placing such control units in a new simplified housing, which fits flexibly into a sectionalized frame which in turn forms a part of an extensive and complete Control Center. Although Unitrol is planned with a complete control center in mind, it is entirely complete and self-contained

at every step of the way. The big idea in back of it is economy: economy of space, economy of construction, economy of change, expansion and reduction, economy in the building of new plant additions as well, and economy of inspection and servicing.

The advantages Unitrol provides are so great that plants of every description and size are adopting it. The Unitrol idea offers important and vital advantages to you, too. Send for the new Unitrol book "Unitrol... the Next Step Forward in Motor Control Progress". Read it in terms of the production and plant enlargement problems that are facing you today. The book is free to business executives. Make a note to your secretary to send for your copy today... now. CUTLER-HAMMER, Inc., 1251 St. Paul Ave., Milwaukee, Wis. Associate: Canadian Cutler-Hammer, Ltd., Toronto.

Result is a complete, entirely enclosed Motor Control Center which is just as big or as small as you want it.

Changes, additions, revisions in Unitrol are made as simple as changes in the modern metal filing cabinet in your office.

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## Tip to Salesmen: "Do NOT Sell"

(Continued from page 28)

ness. But somehow when you are about ten feet from his little peanut contraption, he sends out a whiff of roasting peanuts, and he looks up as though he recognized an old friend. It's the easiest thing in the world to buy a bag.

But, if he sees you are rushing by in great haste, he does not set you against him by grabbing you around the knees and throwing you for a five-yard loss.

### A postponed sales talk

THEN there is Bill Josse, now a sales executive with the Borden Company. A good many years ago he walked into my office in the old Vogan Candy Company to tell me he wanted to go to work for us, selling candy. Just as I was about to hear his story, the factory telephoned. One of the girls had cut her arm badly. She had to be rushed to the hospital. My car was the handiest. I dashed out and backed it up to the door. Two frightened young firemen brought the girl out, still in her white factory uniform, with no coat around her though it was zero weather.

From out of nowhere, a young man leaped, tossed his big overcoat on her, and I was off.

The next morning, the chap was around to get his overcoat, which I

had brought to the office when we were through with it. Of course, he told his story, and he got his job. He didn't hang on to me all the way to the hospital to tell his story. He knew when not to sell. Also, he knew when to do his selling.

"I like to buy from Joe Donaldson," a retail grocer told me. "He's on the job regular—but he doesn't hound me! He's not impatient. But, when I'm in a buying mood, by heck, he's usually nearby."

So I asked Joe Donaldson, "How do you time yourself?"

"It's easy!" Donaldson explained. "I'm not much of a salesman. So I cover a lot of ground and figure on being on hand about the right time. I watch a man's stock. I make friends with the boys who pack the bottled goods into the ice boxes and help them put our line in the good spots. Before long, the store has moved about all of our stuff it has on hand—then I go and tell the boss about it. He says, 'Well, fix me up.' But I never take advantage."

Then there is a printer whom I have seen around our Baltimore Ad Club time and again. He has yet to try any strangle hold. But one of these days, he is going to have an idea for me—because I know he is that sort of a printer. And he will phone me and ask me if he can tell me about it. I'll say, "Sure, boy!" and I'll probably buy



He does not sneak up on them  
and try to trick them into or-  
ders in a weak moment



what he has to sell. He will have made it easy for me to buy.

That will be because he seems to know when not to sell.

Getting back to my investment service specimen. He may have something very fine for me to buy. But any time I see him heave into view from here on, I'll get my barriers up. The polite young woman at the outer gate is keeping an eye open for him, too. He hurt her professional pride. One of these days, some such young woman will tell how the really good salesmen get by her and enjoy her blessing while they are about it. And one has an idea that the basic secret will be—knowing when not to sell.

## Razing Houses Raises Values

**DEMOLITION** of unfit housing is proceeding apace in several cities despite signs of housing shortage traceable in part to influx of defense-industry workers and their families. Purpose is to rid specific areas of buildings that are lowering values as well as constituting substandard housing accommodations.

Milwaukee, Toledo, Cambridge, Mass., and Hartford, Conn., are razing substandard houses in sizable numbers. Los Angeles, under a new ordinance, will tear down more than 3,000 dwellings as part of low-rent public housing program.

In Milwaukee, which has a demolition program of long standing, 376 substandard housing units were demolished in 1940. Since 1930, 7,131 dwelling units were built in this city exclusive of the 518-unit P.W.A.-built Parklawn housing development. More than 3,500 unfit housing units were demolished.

As a result, three sections of Milwaukee previously classified as "conflagration areas" by the National Fire Prevention Association have been reduced to one small area, and fire insurance premiums have been cut. A recent building department survey disclosed that subsequent use of the 2,272 premises on which structures were torn down during the three-year period 1935-37 had raised assessed value by \$2,547,962.

Milwaukee citizens, aware of the benefits of demolition, now report locations of worthless buildings with a request that the property be repaired or razed, according to Leon M. Gurda, inspector of buildings.

In Hartford, where the United States Housing Authority has granted temporary waiver of the requirement that as many slum units must be demolished as there are new units in low-rent housing projects, the number of unfit dwellings razed nevertheless has been larger. In the past three years, more than 700 eliminations of substandard housing have been accomplished in connection with the low-rent building program. Additional demolition has taken place in connection with state highway and flood protection construction.

# EVERY TRAILER ON THE ROAD CONTRIBUTES TO NATIONAL DEFENSE!

● THERE ARE THOUSANDS of Truck-Trailers in daily use on direct defense work...but that's only a fraction of the Truck-Trailer industry's contribution. As a matter of fact, every Trailer we build contributes in some way to the all-out job in which our Nation is engaged:

## Heavy-Duty Trucks Conserv- ed for Direct Defense Use...



**Example**—The Crane Company, Chicago, is using a 1½-ton truck and 10-ton Fruehauf Trailer for work on which they formerly used a 5-ton truck... because any truck can pull far more than it can carry. Across the country, Truck-Trailers release thousands of heavy-duty engines that are sorely needed for other essential work.



## Gasoline and Oil Conserved...

**Example**—The F. J. Kress Box Company, Pittsburgh, uses up to 20 percent less gasoline and oil for the same tonnage hauled, because a smaller truck, pulling a Fruehauf Trailer, now transports more tonnage than was formerly carried on a bigger truck... and uses less fuel, of course. Multiply this by the number of Truck-Trailer users in the United States... and the conservation of gasoline and oil is tremendous!



## Railroad Tank Cars Freed for Long Hauls...

**Example**—M & M Truck Co., Denver, whose fleet of fifty 5,000-gallon Fruehauf Tank-Trailers hauls gasoline for one of the major producers, delivers about 75,000,000 gallons in a year. The year-round use of about 100 tank cars would be required to make these same deliveries. Consider, then, the value of 100 cars in the present emergency... and the fact that this example represents only a very small fraction of the country... and that Tank-Trailers can assume a still larger share of the responsibility!

## Engine Production Facilities Increased...



**Example**—The Halle Bros. Co., Cleveland, uses the "shuttle system" between its department store and warehouse. One truck handles three detachable Trailers—it's constantly pulling one Trailer while the others are being unloaded and loaded. Without the "shuttle system", three trucks would be required. Thus, production facilities for two extra trucks are freed for defense work. Multiply this by the thousands of users "shuttling" with Trailers, and you have an immense added production capacity!



## Railroad Facili- ties Released...

**Example**—Vitality Mills, Chicago, now ship their livestock feed to certain of their markets by Truck-Trailer, instead of by rail freight. Through faster delivery and improved service, Vitality's business in these markets has increased by 35 percent... but, beyond that, the change has released rail facilities for those types of hauling work that railroads can handle best.

That's the reason we say: Every Trailer on the road contributes to National Defense!

World's Largest Builders of Truck-Trailers  
**FRUEHAUF TRAILER COMPANY, DETROIT**  
Sales and Service in Principal Cities  
Factories: Detroit, Kansas City, Los Angeles, Toronto

Our soldiers must eat! Transporting their food is just one of the thousands of jobs that motor transport is handling. For example, one firm, using Fruehauf Trailers, hauls 64,000 lbs. of produce weekly to Fort Sill, Okla. Motor transport is helping America to put the job across!

# FRUEHAUF TRAILERS

"Engineered Transportation"

MOTOR TRANSPORT IS ESSENTIAL TO NATIONAL DEFENSE

# NO BUSINESS *Can Escape* CHANGE

As industrial mobilization becomes complete, still some business remains to foster human comforts

**1 •** A NEW type of synthetic rubber has been developed which not only has the oil resistance of other synthetics but also has the resistance to cold of natural rubber. Principal use is expected to be in automobiles and airplanes where low temperatures are to be encountered.

**2 •** TRANSPARENT "hardware" for doors is now made of a clear plastic. It not only adds a style note hitherto unobtainable but also releases brass and bronze previously used.

**3 •** A SYSTEM of rustproofing metal to replace galvanizing has been developed. The result is a neutral zinc phosphate film which is an excellent undercoat for finishes.

**4 •** A SIMPLE device for testing exhaust gas for proper combustion can be used on the road or in repair shops. Hookup requires only the insertion of a sampling tube into the exhaust pipe.

**5 •** FOR combating Japanese beetles there is a new repellent. It prevents them from feeding on their favorite plants when sprayed. This repellent partially paralyzes the forelegs and mouth parts of the beetles. Useful in very small dilutions, it also helps in the control of some injurious fungi.

**6 •** ACOUSTICAL tile for ceilings is now made in attractively etched patterns which do not interfere with the sound-absorbing surfaces. The patterns are created by a difference in surface texture rather than by colors.

**7 •** A PROCESS just developed makes possible economical, full color prints direct from Kodachrome transparencies. Professional sizes are made from 8 x 10 to 30 x 40 inches. Similar prints in smaller sizes are made from miniature camera transparencies.

**8 •** A NEW electric device connected to the door bell will turn on the entrance light when guests push the bell, turn it off when they have entered. It is also usable to control other lights and machinery in various applications.

**9 •** A NOVEL rubber conveyor belt has a layer of soft, resilient cushioning rubber between the abrasion-resisting cover and the hard fabric body. This is said to make a more durable belt to withstand the shock of falling lump material at the loading point.

**10 •** A NEW finish for wood floors is designed to penetrate the surface. It is transparent, or stained. It preserves the top as far as it penetrates and makes a better wearing surface which will withstand more scuffing.

**11 •** BATH scales are now made with a magnifying lens to make for greater legibility.

**12 •** FOR removing unwanted staples there is a small plastic gadget with two short thin blades. It straightens and removes a staple almost as simply as a stapling machine inserts it.

**13 •** AN ELECTRIC clock is now made with neither front nor back but two identical faces. It is suggested for desks, tables between twin beds, other uses away from walls.

**14 •** A NEW plastic eye guard, developed for workmen in chipping and grinding operations, combines the wide visibility of spectacle-type goggles with the full protection of cup goggles. It is light-weight, strong, furnished with clear or green-tinted lenses.

**15 •** A NUMBERING and lettering machine for name plates, and the like is sturdy enough to stamp steel castings, is faster than hand stamping, and marks straight. Dies from  $\frac{1}{32}$ " to  $\frac{5}{32}$ " are made for it.

**16 •** CATALOG cards and other card records may be protected against wear and mutilation by a transparent film welded on by a thermostatically controlled miniature flatiron. The treated card is stiffer, has a smoother edge. The film can be written on with wax pencils and wiped clean with a cloth.

**17 •** A MARKING machine for shells or other cylindrical parts uses straight-line flat dies or type. A motor moves the dies and turns the shell. Adjustments are allowed for various sized shells and for depth of marking.

**18 •** A PORTABLE fluorescent light is now made for better illumination in night work. It is light-weight, encased in a transparent plastic, gives off spherical lighting to eliminate shadows in limited working areas.

**19 •** SMALL machine parts may now be packaged in a small cellophane bag which gives compactness, protection from rust, and can be made tamper proof. A printed panel on the face permits easy writing with pencil or hand stamping to show part number and other data. The articles may also be examined without opening.

**20 •** A NEW turret lathe, of simplified type, can be made more economically on shorter delivery schedules and operated by less skilled workers. It has a hexagon turret.

—W. L. HAMMER



**21 •** A NEW hydraulic vise to save time and labor can develop up to five tons of pressure between the jaws. It is operated by a foot pedal pump arrangement. The operator has both hands free for the work. The vise can be mounted on a wall or post for small press operations and the like.

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.



# The Importance of SELECTING THE RIGHT PLASTIC

## THERE ARE OVER 2,000 "BAKELITE" PLASTIC MATERIALS TO CHOOSE FROM

When the *right* BAKELITE Plastic is specified, production may often be greatly simplified. Assembly may be speeded. Product performance, too, may be improved, and by taking full advantage of the many opportunities for savings, which the correct use of plastics makes possible, processing costs may generally be cut—sometimes to a surprising degree.

But, what is the right plastic?

There are thousands of BAKELITE Plastics to choose from. In molding materials alone, there are hundreds of different formulas. These come in powder, granular, and sheet form—in Phenolics, Ureas, Cellulose-Acetates, and Polystyrenes. There are thermosetting plastics for compression and transfer molding, and also thermoplastic types for injection molding. Each individual material provides varying degrees of toughness, strength, water resistance, chemical resistance, heat insulation, hardness, dielectric strength, and other physical and chemical properties.

It will pay you to consult Bakelite Plastics Headquarters for help in select-

ing, from this wide diversity of materials, the one plastic that will give you the best results. Bakelite engineers will welcome the opportunity to cooperate in solving your particular plastics problems.

BAKELITE CORPORATION, 30 EAST 42ND STREET, NEW YORK, N.Y.

Unit of Union Carbide and Carbon Corporation

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# BAKELITE

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## PLASTICS HEADQUARTERS

|                             |   |  |
|-----------------------------|---|--|
| <b>MOLDING MATERIALS</b>    |    | BAKELITE thermosetting and thermoplastic molding plastics, in powder, granular, and sheet form, including Phenolics, Ureas, Cellulose-Acetates, and Polystyrenes                                     |
| <b>LAMINATING VARNISHES</b> |    | BAKELITE heat-reactive resin varnishes for binding layer of cloth or paper into tough laminated plastic material furnished in sheets, rods, tubes, and special shapes.                               |
| <b>CAST RESINS</b>          |    | BAKELITE transparent, translucent, and opaque cast resins supplied in sheets, tubes, rods, and special castings that can be machined, sawed, drilled, engraved and polished with standard tools.     |
| <b>OIL-SOLUBLE RESINS</b>   |  | BAKELITE oil-soluble resins for improving the durability and speeding up the drying time, of paints, varnishes, lacquers, and enamels.   |
| <b>PLYBOND ADHESIVES</b>    |  | BAKELITE plybond adhesives, in film and liquid form, for bonding plywoods and veneers. Both cold-setting and heat-reactive types.  |
| <b>COATINGS AND LININGS</b> |  | BAKELITE varnishes and lacquers of the heat-hardenable type employed as chemical- and corrosion-resistant coatings and linings. Also, impregnating, calendering and sealing compounds.               |
| <b>BONDING RESINS</b>       |  | BAKELITE bonding materials are used in manufacture of abrasive wheels, carbon brushes, brake linings. Other types are used to seal incandescent lamps to their bases, or to set bristles in brushes. |

### Write for these Informative Booklets

**BOOKLET 25P. "New Paths to Profits"**  
A 16-page summary of the principal BAKELITE Plastics now available.

**BOOKLET 25M. "Bakelite Molding Plastics"**  
A 32-page illustrated reference booklet on thermosetting and thermoplastic molding materials.

**BOOKLET 25S. "Bakelite Resins for Paints and Varnishes"**  
A 24-page illustrated booklet on modern, synthetic resin coatings.

**BOOKLET 25V. "Bakelite Heat-Hardenable Varnish, Enamel, Lacquer, Cement"**  
A 40-page illustrated booklet on heat-reactive, resinoid coating and bonding materials.

**"BAKELITE REVIEW"**  
A 24-page quarterly which presents the latest plastics developments and applications.



★ ★ ★ ★ ★ ★ ★ ★ ★ ★

# This Priorities Muddle

**Words, ukases and trial balloons** from Washington now call every play in marketing. The order setting passenger automobile production for the last four months of 1941 at 817,000 units, or 26.6 per cent under a year ago, appears to be suspended by a thread marked "Very tentative—accept with caution." It may be reduced to 50 per cent of last year or even less.

Three factors will tend to stiffen sales resistance over last year. First is the higher prices on new models. Second is the fear—quite unjustified, the auto men say—that quality will be reduced by the enforced use of substitute materials. Third is the tightening up of deferred payment terms, with larger down payments required.

Allowing for these handicaps, it is felt that normal advertising and sales pressure will be required to sell the expected output of approximately three-fourths that for last model-year. But, if a further restriction is imposed—say to 50 per cent of last year, as advocated by Leon Henderson and his bright young men—little effort would be necessary to sell that number of cars. This means that salesmen and advertising men could be dispensed with in that perfect sellers' market.

A bit of compensation is seen in the fact that used car stocks are still large. As prices are announced on new models an unusually strong demand is expected for good used cars. Then, as these lots are cleaned up at fair prices, the industry will have caught up with itself.

**No "ersatz" foods**, no cellulose in her bread have yet been inflicted upon Mrs. America, but she is already experiencing the hardships of a silk famine.

Silk hosiery manufacturers had foreseen the chance of a stoppage of silk imports from Japan and had on hand a five-month supply of raw silk when the blow fell through the freezing of Japanese assets in this country. But they were taken completely by surprise when shortly after this action came the order from O.P.M. that no raw silk was to be thrown or spun without authorization by the director of priorities.

Suddenly compelled to scrap many thousands of dollars' worth of fall advertising in the making, the hosiery men didn't feel so good about it. They wondered why the War Department wasn't as forehanded as they had been—why it hadn't acquired in advance a stock of silk for parachutes and powder bags.

The quest for substitutes is far from satisfying. Nylon production has been stepped up rapidly but still can supply no more than 25 per cent of the full-fashioned market. Only one type of rayon—the viscose—is sufficiently elastic for women's hose and the Government has sequestered it, allocating for hosiery and other garments only ten per cent of the stock on hand and ten per cent of current production. Cotton that goes into the mak-

ing of lisle must be of the long staple variety, of which there is a scarcity, since most of it normally comes from Egypt.

Under these circumstances, the usual charges of retail profiteering were banded about recklessly. But the run on silk stockings by women hoarders only served to illustrate again how futile price ceilings à la Henderson would be as an inflation



deterrent when there is a real shortage of any commodity. That policy could only result in buying stampedes in which the most robust shoppers reach the sales counters and obtain the price-fixed goods, while their less aggressive sisters are disappointed. Flexible prices are still the best medium through which demand is adjusted to supply.

**"Hidden markups"** in merchandise are feared by the Office of Price Administration and Civilian Supply. The reference is to indirect price increases through reducing the quality of goods and giving the consumer less value for the same money. The Consumers Counsel of the Department of Agriculture is worried about the same problem and the National Better Business Bureau has pledged itself to keep consumers informed of "significant changes in established quality of goods."

O.P.A.C.S.'s fear may or may not have a basis of fact. This practice has, however, long been a familiar tactic as a counter to price cutting. One firm reduces its price and a competitor whose costs are higher

is unable to meet the price without incurring a loss. So the competitor brings his price into line but makes up the loss by taking it out of his product, either in the actual size of the package or in the quality of the materials entering into it. Or he may elect to make it up in the quality of workmanship or in the service rendered in connection with the sale.

If prices are fixed too low to enable the least efficient members of the trade to cover their costs, the Government will simply be inviting this form of evasion.

**Glass for aluminum** in the kitchen is receiving a tremendous boost in a big campaign by the Corning Glass Works featuring its Pyrex Ware. The campaign is running in 18 national magazines and 45 Sunday newspaper supplements.

Faced with a war dearth of its major raw material, the Aluminum Cooking Utensil Co., subsidiary of Aluminum Company of America, has added two heat-proof glass casseroles to its Wear-Ever aluminum sets already in inventory before priorities were applied.

Present stocks of aluminum ware are dwindling rapidly. Some communities experienced a special rush of buyers coincident with the widely-ballyhooed campaign to collect old aluminum ware for defense. Perhaps these women had heard the statement, heatedly denied but as positively reasserted, that this scrap aluminum is not the proper quality for airplanes, that it will simply have to be melted down and used to make more kitchen utensils. Last word in this controversy was uttered by Director LaGuardia of the Office of Civilian Defense, who admitted that the scrap aluminum contributed by housewives would be sold and the proceeds used to buy new aluminum for the construction of planes for the Army and Navy. Weeks after the drive ended, the pots and pans remained piled high in storage yards.

The completed circuit then is something like this: Mrs. Housewife contributes her old coffee pot to the Government to be melted down and made into another coffee pot. She then rushes over to a store and buys a new aluminum coffee pot. Thus does a controlled economy run around in circles like those toy animals that are self-propelled by a spring that must be wound up after they run down.

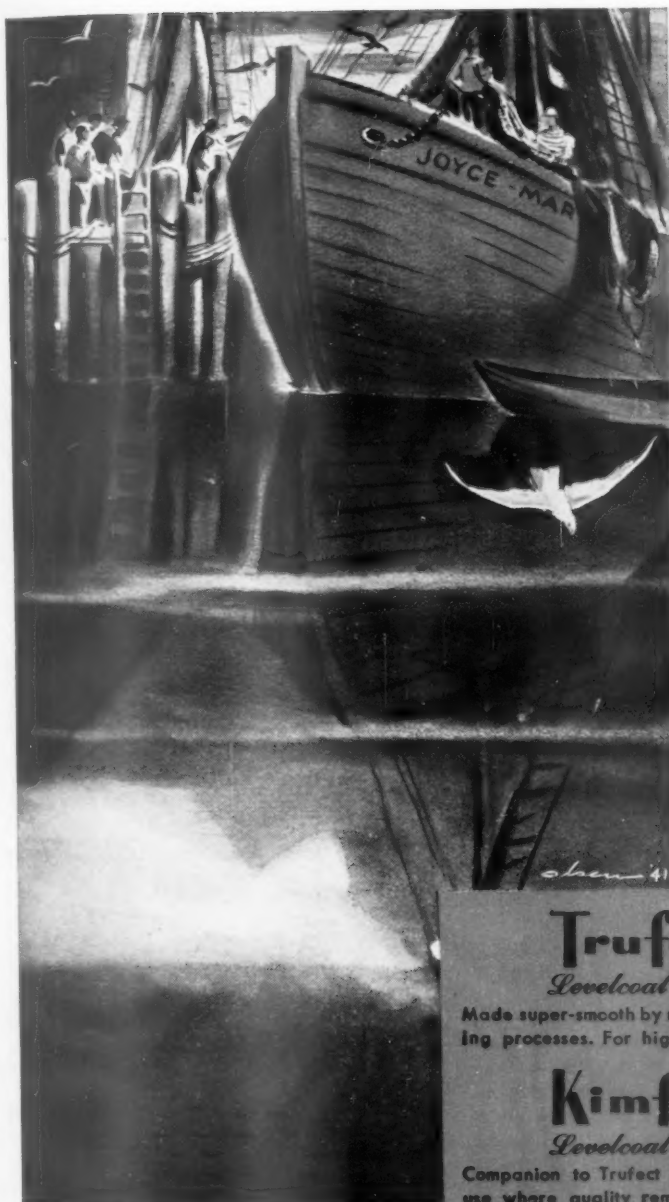
**"Misinformation"** broadcast on the fuel oil situation cost the oil burner industry \$4,500,000 in equipment sales in one month, Roy G. Whipple, president of the Oil Burner Institute, told members of that body at a recent conference. The anthracite coal and the coal stoker people have been using the current lend-lease oil shortage as the occasion for urging consumers to switch to coal for home heating, it is said. One large coal company—the D. L. & W.—emphasized a "Be Safe—Use Coal" theme in its newspaper advertising.

—FRED DEARMOND

"SMOOTH AS STILL WATER"

# Levelcoat\* PRINTING PAPERS

Give all the beauty of costly printing papers...  
at the price of ordinary paper!



YOU NEED the smooth beauty of *Levelcoat*\* printing papers to help boost the selling power of your advertising. New and improved processes give *Levelcoat* papers super-smooth printing surfaces to insure uniformly excellent printing results. *Levelcoat* fully-coated printing papers help to get your sales story across more quickly, more dramatically... with sharply-defined type... with fine-screen halftones... with brilliant color.

You'll like the money-saving economy of *Levelcoat* papers, too. By switching to *Levelcoat* printing papers, you can make interesting savings, *without sacrificing quality*, because *Levelcoat* printing papers give all the beauty of costly printing papers at the price of ordinary paper!

Many advertisers with small printing budgets, which limited them to ordinary-appearing catalogs, circulars and brochures, have switched to *Levelcoat* paper. They now are benefiting from more sales-appealing printed advertising at little, if any, extra cost!

**Seeing is believing...** Your printer or paper merchant will be glad to show you samples of the three types of *Levelcoat* printing papers. Or, if you prefer, write direct to Kimberly-Clark for free book, "Seeing is Believing", which gives actual proof in one, two, three and four colors, of the fine printing and clear-cut reproductions you can expect with low-cost *Levelcoat* printing papers.

This interesting book will prove to you that these new-type papers do more for the money! *Levelcoat* printing papers are available through your paper merchant. If you wish, inquire direct.

**KIMBERLY-CLARK CORP.**  
NEENAH, WISCONSIN

Established 1872

NEW YORK: 122 East 42nd Street  
CHICAGO: 8 South Michigan Ave.  
LOS ANGELES: 510 West 6th Street

**Trufect\***

*Levelcoat Paper*

Made super-smooth by new, exclusive coating processes. For high-quality printing.

**Kimfect\***

*Levelcoat Paper*

Companion to Trufect at lower cost. For use where quality remains a factor, but less exacting printing results demanded.

**Multifect\***

*Levelcoat Paper*

Where economy counts in volume printing, this grade does a splendid job.

\*TRADE MARK



## Modern Chariots for \$200 and Up



BUCHER FROM NEW



FANCHER FROM BLACK STAR

The foundation of a sulky is an 18-foot piece of hickory or ash bent into a huge "U"

**D**O YOU remember the first trotting race you ever saw and how fascinated you were by the light little two-wheeled sulkies the trotters pulled?

The chances are pretty good that the sulkies you saw then, and the same goes for any you see today, were made by the Houghton Sulky Company of Marion, Ohio.

Tradition says that the first bicycle-tired sulky was built by a New England blacksmith about 1892, but that drivers stuck mostly to the old-type high, wooden-wheeled sulky until Pop Geers adopted the lighter "go-cart" and began knocking from five to 10 seconds off the best time for a mile.

Founded in the 1890's by W. H. Houghton, the company turns out each year

some 2,500 racing sulkies together with a variety of show wagons which are used in horse shows and circuses. Since the price of racing sulkies begins at more than \$200 and that of the elaborate show wagons often soars into the thousands, you can see that the Houghton Company does a sizable business.

Production in the company's loft-like Marion plant is based on a rare combination of hand craftsmanship and present day straight line methods. There are 38 employees, most of whom have been with the company for years. Each is a specialist in one particular phase of production.

With the exception of wheels, axles, and a couple of braces, a racing sulky is made entirely of wood—seasoned ash and hickory. The foundation of the vehicle is

Fairs which once dropped harness races are rapidly putting them back as a chief attraction

a strip of wood, about 18 feet long and some two inches in diameter, which is pressed into a huge "U." The sides of this "U" become shafts and the base cradles the driver's seat. Wooden and steel braces are then added, followed by axles, wire wheels, and leather fittings.

The paint job, different for each sulky, is generally done in the racing colors of the buyer. A finished sulky weighs only 30 pounds but is strong enough to support a driver weighing more than 200 pounds. Lightness together with ability to withstand punishment received on the racing track are the essential requirements of a sulky. Their length of life is as variable as that of a dive bomber. A sulky may last 10 years or be smashed in its first race.

Film companies have been good customers of the Houghton Company. Will Rogers drove one of their sulkies in the picture "David Harum." A new film starring Jane Withers includes several sequences of trotters all pulling Houghtons.

The loss of the European export market has extended even into the sulky industry. Houghton formerly had a sizable business on the Continent. But the loss of this volume is made up by increased domestic business due to increased interest in harness racing. Each year fairs, which once dropped harness races from their programs in favor of other entertainment, are replacing them. —WILLIAM HAUSBERG.





## *FROM ROAD TO RAILS...a natural step!*

### **Why General Motors became the biggest builder of locomotives in the world**

**H**OW much does this streamliner of the rails owe to the modern motor vehicle?

Each of them provides, of course, faster and more economical transportation—which is in itself a logical reason why General Motors should build them both.

But railroad management quickly saw still other reasons of greater import.

They considered the soundness of General Motors research—responsible for the

development of this modern locomotive—a soundness proved by its impressive achievements in every other field of transportation on land and sea and in the air.

They considered, too, our practical experience in manufacturing motors, generators, frames, bodies and hundreds of other parts—all of which are now made and assembled into com-

plete locomotives in our La Grange plant, the only self-contained locomotive factory of its kind.

And railroad management has lost no time in putting the advantages of this new equipment to work.

The fact is that today General Motors locomotives for switching and passenger service are taking to the rails at a faster rate than any other kind—and the newest of them all, the GM freight locomotive, is already proving a record-breaker, on the railroads' biggest job.

**ELECTRO-MOTIVE CORPORATION**  
Subsidiary of General Motors  
La Grange, Illinois

**GENERAL MOTORS**  
**LOCOMOTIVES**

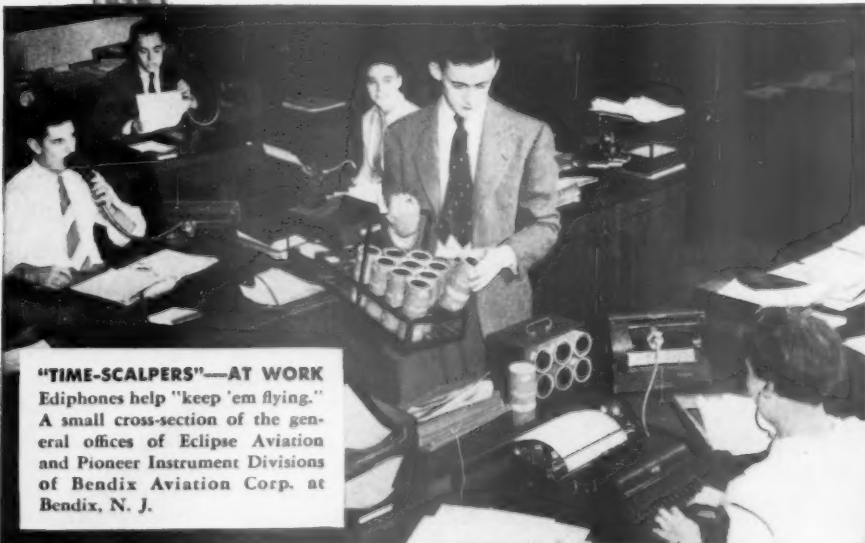
*Tomahawk  
... on the war path!*



THE IROQUOIS tomahawk had *three* parts—the R.A.F.'s lethal fighter has over 10,000 . . . Many of the more vital parts for the Curtiss "Tomahawk" are coming out of Bendix, N. J. at an almost unbelievable rate—from Eclipse Aviation.

Eclipse has expanded *tenfold*—in twenty-four months. Its in-line production system is geared to streamlined office procedure. Specifications, correspondence, details and memoranda are *talked* away to Ediphones—minds are kept free for the *big* problem of speeding National Defense . . . Ediphone Voice Writing will "mesh" the time of secretaries and executives in a one-man business or an industry. For a demonstration—free—simply phone Ediphone (your city) or write Dept. N10, Thomas A. Edison, Inc., West Orange, N. J. or Thomas A. Edison of Canada, Ltd., 610 Bay St., Toronto.

EDISON  
VOICEWRITER  
Ediphone



**"TIME-SCALPERS"—AT WORK**  
Ediphones help "keep 'em flying." A small cross-section of the general offices of Eclipse Aviation and Pioneer Instrument Divisions of Bendix Aviation Corp. at Bendix, N. J.

## MEMO . . . for Busy Readers

**Fire Prevention a National Job** FIRE Prevention Week will be observed during the week beginning Sunday, October 5. Observance is proclaimed by the President, State Governors and Mayors of many cities.

Fire losses in the United States in the past 25 years totalled nearly \$10,000,000,000, an average of nearly \$400,000,000. Estimated loss of life from fire is 10,000 persons annually.

Past experience indicates that quickening the pace of industry usually increases loss of life and property chargeable to fire. Trend of fire losses in recent months has been upward. Business men particularly should be alert to protect factories and plants against fire.

For the guidance of business men and business organizations the Insurance Department of the National Chamber has prepared a pamphlet titled "Fire Prevention Week" which offers helpful suggestions for local observance. Also available is a pamphlet titled "Safeguard Industry Against Fire for National Defense" in which ways and means to reduce fire hazards are discussed.

Posters, home and mercantile inspection blanks, material for circulation among school children and others, may be obtained by request to the National Board of Fire Underwriters, 85 John Street, New York City; National Fire Protection Association, 60 Batterymarch Street, Boston; and the Western Actuarial Bureau, 222 West Adams Street, Chicago.

More than 500 communities are now participating in the Inter-Chamber Fire Waste Contest directed by the National Chamber in cooperation with the National Fire Waste Council. Several cities enrolled in the contest have reduced their fire losses more than 50 per cent.

### Sales of Farms Spurred by Fear

AT THE turn of the season farms were selling faster than at any time since the depression—selling to tenant farmers who couldn't find satisfactory land available for rent; selling to factory workers who wanted to raise part of their food; selling to inflation-minded business men and harried investors; and to city families who wanted a retirement spot.

Qualifying this trend, according to a survey of farm realty agencies by Northwestern National Life Insurance Company, few present farmer-owners were adding to their acreage because the combination of the draft and industrial labor demand was making it difficult to get enough help for cultivation.

Improvement in sales of acreage was nation-wide. More than three-fourths of the farm realty agencies included in the survey, with sales offices in 32 agricultural states, reported sales definitely increased compared with preceding years, with more all-cash deals, with adequate

down payments easier to get, and with better class farms moving actively instead of distress properties as in past years. A notable increase in the number of city people seeking farms was noted.

**Many Items In "Service" Sales** SERVICE stations operating in 1939 sold nearly \$500,000,000 worth of auto supplies, grease and service jobs, food and beverages, overnight lodging, and other items. These items accounted for more than one-sixth of the aggregate sales of \$2,800,000,000, including gasoline and oil.

In addition to gasoline and oil, 61 per cent of the stations sell auto supplies; 52 per cent do greasing, washing, or servicing; and 39 per cent sell fuel oil or kerosene. A large but not reported proportion of the stations obtain revenue from other sources such as cabin or tourist room rental, meals, soda fountains, beverages, groceries and tobacco.

Based on total dollar sales of all service stations reporting to the Census Bureau, the breakdown by commodities is: gasoline, 76 per cent; oil and grease, seven per cent; auto supplies, seven per cent; fuel oil and kerosene, one per cent; greasing, washing and servicing, 4½ per cent; and other sales, 4½ per cent. Figures do not include sales made by more than 150,000 so-called secondary outlets—garages, automobile agencies, parking lots and country stores that sell gasoline and oil as sidelines.

The 241,858 service stations, as classified by the Census, are only those outlets more than half of whose sales are accounted for by gasoline and oil.

The 176,101 stations which reported commodity sales sold 9,150,359,000 gallons of gasoline in 1939, indicating that all service stations probably sold about 12,400,000,000 gallons. Average cost to motorists was 17.3 cents a gallon. Federal and state gasoline taxes accounted for almost one third of the price.

#### Tea Imports Up Despite War

WILL of the world to trade is revealed in figures on tea imports for the fiscal year 1940-41, first full accounting period since hostilities began. Total was second highest for the preceding ten years.

From July 1, 1940, to June 30, 1941, in response to palate preferences 99,047,175 pounds were imported into the United States despite scarcity of shipping space and the increasing shipping hazards.

Final figure exceeded by 12,021,936 pounds the total of 87,025,239 pounds imported for the fiscal year 1930-31, the Tea Bureau reports, and marked second consecutive fiscal year that imports were at or near the 100,000,000 pounds level. Previous year's total was 102,460,201 pounds.

Noteworthy in these imports was the fact that of the total pounds of all teas imported in the last fiscal year, 77,732,317 pounds were black teas, of which Americans have been steadily ordering more and more since 1917. Chief countries of origin: India, Ceylon, Java and Sumatra.

### Then you telephoned . . .



A strange street, blinding headlights, an unavoidable accident, some one injured. . . . The emergency ride to the hospital, policeman's whistle screeching. . . . *Then you telephoned* the Standard agent—one of thousands throughout America.

Relief! For suddenly you realize the full value of your Standard automobile insurance policy. Perhaps the accident isn't so serious after all. But Standard acts to protect your interests, and, if lawful claims result, pays damages to the limits of your policy.

Standard Service, Standard Selective Ratings and the Safe Driver Reward all combine to provide utmost security, wherever you go, at low cost.

Your Standard agent or broker can help you develop a sound defense against loss due to automobile accidents; burglary; embezzlement; injuries to you, your employees or the public; and similar hazards. You are safer *every way* in his hands.

### STANDARD ACCIDENT INSURANCE COMPANY

*Standard Service Satisfies . . . Since 1884*



## They're All Afraid of the Old Folks

(Continued from page 51)

does not report is that such publication also prevents the payment of money to the fathers and mothers of the politically prominent; to the owners of good farms who can swing a few votes; and to community deadbeats.

It also curbs the lavish hand with which some officials always deal out someone else's funds.

### Humiliation is not the question

THE chief advantage of secrecy is to the case worker. It keeps Aunt Sally from finding out what Jim Jones is getting. Publication of such information can't be so *very* humiliating when any Old Age Pension Association official can whistle softly and get 200 recipients out to sit in a legislative gallery to force a raise in pensions.

And, the only possible exploitation is by the children who move in with the old folks when they learn about the pension. They'll both learn, without publication. And, publication might, just possibly, keep the children from moving.

"Taxation without representation is tyranny," yelled the rebels who created this nation. Who, pray tell, represents the taxpayer on the pension gravy train?

If the idea is to see that the really needy get the money, and as near the

maximum as possible, then secrecy should not only be lifted, but publication required.

If Social Security officials really are serious about stopping exploitation of those who receive charity, then they should, by all means, sponsor legislation to control those who sell old folks memberships in pension associations. It is they who make legislators glad to compromise with \$10-a-month raises and publication secrecy amendments.

These pressure group leaders organize the pensioners. They hold meetings on Sunday afternoon while the old folks are still dressed up for church. They spend the year telling their employers how they're entitled to more money.

Occasionally, some obviously mistreated old person is found who needs only to be directed to the correct official to get his wrongs righted. Then, they "go to bat," "win a great battle," and, of course, report in detail at the Sunday afternoon meetings.

The organizers sell the old folks, not only on paying dues, but in being ready to "go out there and let your legislators and the governor know how you feel."

The poor old folks have nothing to do but brood over their "wrongs." They talk to their children, their friends, and their neighbors—and work actively in political campaigns for the candidate who promises the biggest pensions.

Although there are only 6,750,000 of them, not two per cent of the nation's population, they are a noisy minority, and they make up today the most powerful political group in America.

They can elect, or defeat, men running for office. They can, will, and do, devote their full time to the job! And when any group elects a man it can tell him what to do.

There comes the day when a tax bill, a retail sales tax, for instance, is before the legislature.

The money is supposed to go for general government, courts, schools, and other services required by 100 per cent of the people.

But, a foxy young organizer presents a "resolution" to a legislator whom the old folks supported. It demands that "our representatives cease consideration of taxes and appropriations for anything else until they have made adequate provision for the care of the old folks in this state."

This is not a fictitious case. It has happened in many states!

### They get anything they want

IF THE resolution is pushed aside, then the day comes when the old folks sit in the galleries. It would be humorous, if not so tragic. Fear settles down upon the legislators. Every move, every speech, is designed to "do something" to get those poor, deserving, expectant old people—many listening with their hands cupped to feeble ears—out of the galleries without injuring their feelings and arousing their anger.

Sitting among the aged are the organizers who lead them. After one such session, an old-time practical politician suggested:

I believe the President is right. Pensions should be entirely a federal problem.

And, I also believe we ought to lower the age bracket to 60, and pay everyone, whether he needs it or not, straight \$40 a month. That would eliminate the case workers and reduce administration costs.

Men who are forced to "take the heat" of the old age lobby usually come to this conclusion. Let's analyze it.

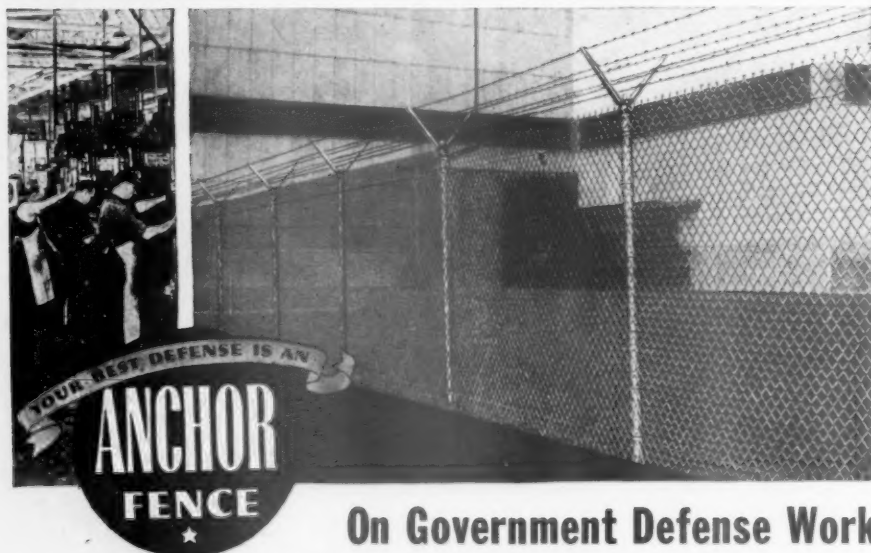
In 1930 there were 10,385,026 persons more than 60 years old in the United States according to the federal census. A payment of \$40 a month is \$480 a year. The total cost, without administration expense, would be \$4,984,812,000.

Total expenditures for all federal Government in 1932, the Army and Navy and all the rest before the relief load became excessive, were but little more, \$5,153,400,000.

In 1940, when the national Government was collecting but \$44.09 per capita, and spending \$73.16, total expenses were less than twice the amount this legislator suggests for pensions.

Anyone who would seriously—and consciously—advocate \$5,000,000,000 for Old Age Assistance, and build a lobby to force it upon the nation, endangering the solvency of the United States at this time, is not a friend of the old folks. He is moving, just as rapidly as possible, to guarantee that the pittance they now

## PROTECTION means PRODUCTION



### On Government Defense Work

#### Anchor Fence Provides Inside and Outside Plant Protection

With saboteurs and spies about, it's the duty of every plant executive to provide complete protection for Government work. There's one sure way to do it. Install an Anchor Fence around your plant to keep out outside saboteurs. Then erect Anchor Fence enclosures inside your plant, around power stations, transformer installations, fuel, chemical and raw material storage to prevent any except

the most trusted employees from reaching these vulnerable points.

An Anchor Fence is quickly installed—yet can be moved in case of plant expansion. Send for the Anchor Fence Engineer. He'll gladly help you plan your plant protection, without obligation. Write or wire today to: ANCHOR POST FENCE CO., 6660 Eastern Ave., Baltimore, Maryland.

"NATION-WIDE SALES AND ERECTING SERVICE"

receive shall be eliminated entirely by wrecking the Government that pays them.

America needs adequate old age assistance. There is nothing more pitiful than old, hard-working people whose income is gone. They shouldn't be forced to beg for food and shelter!

But adequacy means, first, that only those in need should receive; and second that they shall receive as much as their benefactors can afford.

It means every deadbeat should be eradicated from the rolls so those who must depend upon government may get as near the maximum as possible.

It means that every last dime given to the old folks must go to buy bread, and meat, and shelter—not to organizers.

The only adequate way known in a democracy to make the public's money go far is to let the public audit the books. Graft, cheating and political skulduggery which rob the truly needy aged can't stand the light of publicity. Let's eliminate that silly law closing public records to the public, first!

Then, if we are interested in stopping exploitation of the pensioners, we should make it a felony for anyone to accept federal money granted for charity to form any pressure group. The "friends" of the aged would leave them like rats leaving a sinking ship if they no longer could milk them.

It is time younger men and women step forward, once more, to protect their old folks, themselves, and their country, from exploitation and ruin.

## Bonus-Penalty Speeds Repairs

**M**OTORISTS saved \$57,000 in gasoline, time and tire wear in terms of detour travel through the Indiana State Highway Commission's application of a bonus-penalty plan for speeding up bridge repairs. Plan stipulates that contractor be paid a bonus if he completes contract before promised time, that he be penalized if he takes longer.

A bridge undergoing repair was used every day by an average of 2,000 vehicles. When it was closed, the resulting detour made the route 16 miles longer than usual, requiring 32,000 extra vehicle-miles of travel each day.

The contractor doing the repair job said it would require 100 days for completion, but he finished in 85 days, receiving a \$3,000 bonus. Had the contract been let in the usual way, it was estimated that the repairs would have taken 45 days longer, resulting in 1,440,000 vehicle-miles of added travel. At four cents a mile, this extra travel would have cost motorists about \$57,000. Under the bonus-penalty plan, the entire cost of repair, including the bonus, amounted to less than \$50,000.

Extension of the plan to other highway repair jobs is in view, especially on heavy-traffic routes that require long detours.

# Because

## SANTA FE "DEALT IN FUTURES"



*The Little Man  
Who's Always There!*

## ...YOUR SHIPPING POSITION IS MORE SECURE!

When Santa Fe pioneered the world's first mainline Diesel freight service, it was building toward a future of freight handling capacity in excess of normal demand.

Because of this kind of foresight, this "dealing in futures," your freight service via Santa Fe continues to be fast, punctual, dependable.

Even the stress of national emergency has not overburdened Santa Fe's maximum performance.

### Santa Fe Continues to Offer:

- Sixth morning delivery at Pacific Coast points from Chicago.
- Fifth morning delivery at Pacific Coast points from St. Louis, Kansas City, St. Joseph, Atchison, and Leavenworth.
- Third morning delivery, Chicago to Galveston, Houston, and Beaumont. (Less carload and carload merchandise.)
- Second morning delivery, Chicago to Oklahoma City.
- The only overnight freight service, Chicago to Kansas City.
- Free pickup and delivery service on less carload merchandise.



*Ship with confidence via Santa Fe. Call your  
nearest Santa Fe representative, or write*

**J. J. GROGAN**

**GENERAL FREIGHT TRAFFIC MANAGER  
CHICAGO, ILLINOIS**



## HOW EMPLOYEE MORALE IS IMPROVED BY SMALL LOAN SERVICE

MANY a worker occasionally gets behind with his bills through no fault of his own. An unexpected emergency—an accident or long illness in the family, for instance—can easily cost more than he can pay for out of savings or current income.

### Loan can end worries

That's when a worker needs a loan—for his employer's good as well as his own. For if a good worker has to worry about bills he can't pay, his work usually suffers.

Most industrial states have passed Small Loan Laws. These laws, written to serve and protect the small borrower, make possible the operation of a company like Household Finance.

Wage workers can borrow at Household Finance largely on character and earning ability. No endorser is needed. No wage assignment is taken. The loan is made in a simple, private transaction. Borrowers repay in small monthly installments. Last year Household Finance made over 800,000 such loans to workers in all branches of industry.

### Charges below lawful maximum

The table below shows some typical loan plans. Payments include all charges. Charges are made at the rate of 2½% per month (less in many territories on the larger loans). Household's charges are below the maximum rates authorized by the Small Loan Laws of most states.

#### WHAT BORROWER GETS

|       | WHAT BORROWER REPAYS MONTHLY |               |                |                |                |
|-------|------------------------------|---------------|----------------|----------------|----------------|
|       | 2<br>payments                | 6<br>payments | 12<br>payments | 15<br>payments | 18<br>payments |
| \$ 20 | \$ 10.38                     | \$ 3.63       | \$ 1.95        |                |                |
| 50    | 25.94                        | 9.08          | 4.87           |                |                |
| 100   | 51.88                        | 18.15         | 9.75           | \$ 8.08        | \$ 6.97        |
| 150   | 77.82                        | 27.23         | 14.62          | 12.11          | 10.45          |
| 200   | 103.77                       | 36.31         | 19.50          | 16.15          | 13.93          |
| 250   | 129.71                       | 45.39         | 24.37          | 20.19          | 17.42          |
| 300   | 155.65                       | 54.46         | 29.25          | 24.23          | 20.90          |

Above payments include charges of 2½% per month and based on prompt payment are in effect in seven states. Due to local conditions, rates elsewhere vary slightly.

Household maintains a staff of home economists to encourage families to be wiser buyers and better managers. The company's practical booklets on money management and better buymanship have helped thousands to get more from their incomes. Leading schools and colleges now use these booklets as supplementary texts.

We will gladly send you more information about Household Finance service without obligation. Please use the coupon below.

## HOUSEHOLD FINANCE

*Corporation*

ESTABLISHED 1878

Headquarters: 919 N. Michigan Ave., Chicago

One of America's leading family finance organizations, with 299 branches in 197 cities

HOUSEHOLD FINANCE CORPORATION, Dept. NB-10  
919 N. Michigan Ave., Chicago, Ill.

Please tell me more about your loan service for wage earners—without obligation.

Name.....

Address.....

City.....State.....

## Must Workers Swallow the Closed Shop?

(Continued from page 26)

its members who believed that, if the Government was going all out in favor of the closed shop or its equivalent, the decision should be made by Congress, not by an administrative agency.

Here is a sample of a union security clause as recommended by the board:

The company agrees that any present employee who on June 24, 1941 (the date this case was certified) was a member of the union or who has become a member of the union since June 24, 1941, shall, as a condition of continued employment, maintain membership in good standing; and any employee who hereafter, during the life of this agreement, becomes a member or is reinstated as a member of the union shall, as a condition of continued employment, maintain membership in good standing.

This was the issue in the controversy which led to the seizure of the Kearny plant of the Federal Shipbuilding and Drydock Company by the United States Government. A dispute between the management and a C.I.O. union of shipbuilding workers had been taken before the National Defense Mediation Board, which, over the vigorous opposition of some of its members, recommended that the company accept a union security clause in its labor contract. The company declined to comply with the recommendation, preferring to have its plant taken over by the Government than to operate it under what the management believed to be the equivalent of closed shop conditions. After fruitless efforts to effect a settlement, the President ordered the plant taken over by the Navy Department.

In the meantime the closed shop campaign received invaluable aid from an unexpected source. Henry Ford, finally defeated in his court fight against the National Labor Relations Board, signed a closed shop contract with the C.I.O. union of automobile workers. Many observers considered this the greatest victory up to that time for the closed shop, and the longest step toward its universal adoption.

### Helps the union treasury

MOST, not all, union leaders favor the closed shop. Most, not all, employers oppose it. For the labor organizer who is content to take a short-time view of his mission, the closed shop is a gift straight from Heaven. It solves the problem of finance and insures a full treasury, which can be turned into a war chest if the employer tries to get out of his bargain or is reluctant to grant fresh concessions. It eliminates the necessity of recruiting and the toilsome business of keeping the union sold to employees in the intervals between strikes or membership campaigns. It enables the officials to enforce union discipline and regularity, since a man expelled from the organization is automatically removed from his job.

In trying to sell the closed shop theory

to employers (in cases where voluntary rather than enforced compliance is desired) and to the public at large, labor leaders have relied mainly on two general arguments. The first is social and ethical. All workers, it is claimed, benefit from the gains obtained through unionism, therefore all should support the unions through membership and dues payment; if they are not willing to render this support voluntarily they should be compelled to do so. This is no more unfair, it is asserted, than the requirement that all citizens support the Government and help pay its expenses through taxation, since the benefits of government are shared by all.

### Unions vs. high wages

THE argument has two weak points. First, there are grave doubts as to the part that unions have played in raising the wages and improving the working conditions of labor. Some competent students believe their influence has been relatively slight. Certainly, in the pre-Wagner era, the highest wages and the most favorable conditions were found, with few exceptions, in industries where the open shop prevailed and union membership was small.

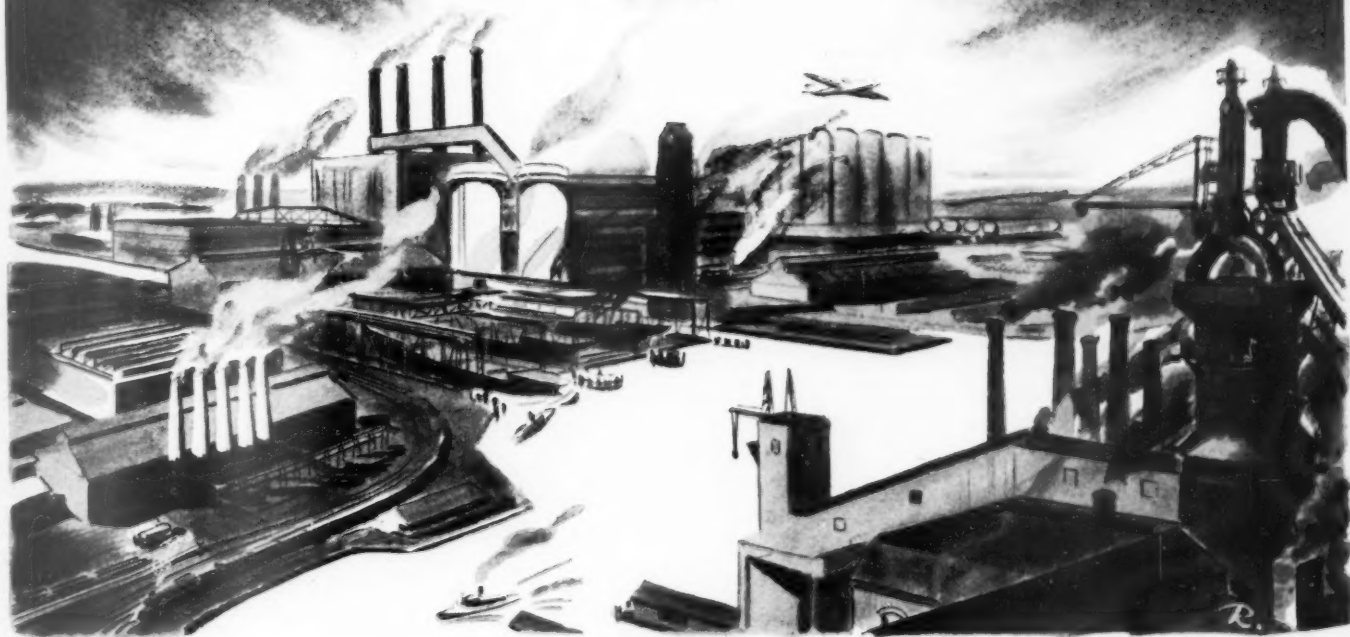
Second, the thesis is based on a false analogy between a government and a private organization. A government by its very nature has the right to tax for its support all who live under its jurisdiction. That is one of the things that make it a government. A private organization does not have this right. To grant it would be to upset some of the fundamental doctrines of the American political and economic system. The union argument, if it proves anything, proves too much. If every worker who is supposed to benefit from the activities of unionism ought to be required to join a union, every business man ought to be compelled to join the United States Chamber of Commerce or the National Association of Manufacturers, and surely every beneficiary of Christian civilization ought to be forced to join a church.

Weak as it is, the closed shop argument based upon the alleged obligation of every workingman to help pay the expenses of unionism might retain some shreds of respectability if all unions were democratic organizations; if members always were permitted to criticize or to change their leaders, if financial records were publicized, and if strikes could be called only on majority vote by secret ballot. Everybody knows that, in many unions, these conditions do not prevail. And here we are talking about reputable unions only, not about the fringe of racketeering outfits which exploit their members for the gain of grafting officials.

Even if we were ready to concede that every wage earner has a moral obligation to join a union, most of us still would believe that it would be better for the man and for the union if membership were voluntary rather than com-



# INDUSTRY FORGES AHEAD WITH FACTS



American industries which, directly or indirectly, are contributing to the success of our great program of Defense, must have facts for progress. Before a ship's keel is laid, before a plane is started on a production line . . . even before metal is poured or ore is mined, facts and figures must be obtained. Modern business machines and methods provide those facts. They furnish, with speed and accuracy, the records and reports, the analyses and statistics which help to guide, direct, and control the forward march of industry . . . industry which is vital to our American unity of purpose.

INTERNATIONAL BUSINESS MACHINES CORPORATION



pulsory. The healthiest and most vigorous organizations are not those which have their membership handed to them and which no longer have to convince prospective recruits of the value of their services. Charlemagne had a wholesale and superficially effective method of converting the heathen, but it is not on record that the permanent results were advantageous to the converts or to the medieval church.

### Advantages may be fictitious

THE second general argument advanced by labor leaders in favor of the closed shop deals with supposed advantages to the employer's business. Under a closed shop agreement, it is claimed, factional strife is eliminated, and the management is not subjected to conflicting claims from rival organizations. To a limited extent this may be true, although the records of the National Labor Relations Board include numerous cases in which closed shop contracts have been ignored and rival organizations have built up sufficient strength to contest the claims of the unions that were supposed to have been installed permanently.

Moreover, jurisdictional disputes between unions by no means are confined to open shop industries. Even if it be conceded, for the sake of argument, that, in some cases, a closed shop contract has brought a degree of stability in labor relations, it is proper to ask whether the price has not been more than the result was worth. The effect upon employee

morale and loyalty of enforced conformity to a single organizational pattern is likely to cost the employer more than all he may even hope to gain through recognition of a labor monopoly.

This tottering argument is sometimes shored up by the further claim that, under a closed shop agreement, the union executives can maintain factory discipline, restrain overzealous local leaders, oust racketeers, and prevent wildcat strikes. Here again the most effective rebuttal is an appeal to the records. The history of closed shop unionism does not indicate that these claims are true in any general sense, although isolated cases perhaps can be cited in support of one or more of them. Certainly the most devoted advocate of the closed shop would not contend that outlaw strikes and racketeering have been confined to open shop industries.

A related argument concerns quality of workmanship. A closed shop union, it is claimed, can set standards for membership which will insure skill, efficiency and character among the working force. Again the argument does violence to the facts. Theoretically, a union that has a monopoly of labor ought to be able to do all that is claimed for it in maintaining standards of workmanship, but in most industries these results have not been apparent. On the contrary, through limiting the kinds of work that particular crafts can do, through arbitrary apprenticeship regulations, and through actual restriction of output, closed shop unions probably—although of course this cannot be proven—have done more

to lower than to raise quantity and quality of output. Moreover, there is danger that, under a closed shop contract, an employee will get the idea that his job depends less upon the quality of his work than upon his standing with the union. Perhaps this idea is correct.

### Unions may control workers

HAVING examined the main arguments advanced in favor of the closed shop, let us now turn briefly to some of the points that can be raised against it. One of these is the obvious danger that, under a secure monopoly of labor, union officers may become more powerful than the foremen in influencing shop conditions. Workers are likely to hold their jobs and qualify for advancement rather through union regularity than through the quality of their work or their loyalty to the company. (In the minds of some present day "liberals," loyalty to the company is an outmoded idea, a survival of industrial relations policies of the horse and buggy era; nevertheless it is essential to efficient operation of industry.) This transfer of allegiance from the employer to the union is destructive of both workmanship and discipline. Danger of this result is increased if, under the terms of the contract or the customs of the industry, it is difficult or impossible to discharge a man without the consent of the union business agent.

With membership secure and dues guaranteed, whatever benefits the union otherwise might render to its members are likely to be lessened, since organizers and business agents are relieved of the necessity of devoting their efforts to the interests of the workers. A disgruntled member can't quit the union without losing his job. Sometimes the same result follows criticism of the officers of the local. This situation offers attractive possibilities to the labor leader who is inclined to indolence, or who is even not averse to making deals on the outside that are not in the interests of the men whose dues pay his salary.

Reference already has been made to restriction of output. Here it needs only to be added that, under a closed shop contract, a union can—and some of them do—set the maximum amount of work members may perform, or the maximum hours they may work. In an open shop this is more difficult, since non-members are not bound by union rules. Besides these crude and open restrictions, there are numerous arbitrary requirements, too well known to call for detailed discussion here, which limit the quantity of work or add to manufacturing costs. Restriction of production, even in normal circumstances, conflicts with the interests of industry and of consumers. It is particularly harmful just now, when national defense calls for the full use of productive capacity and the utmost efforts of every worker.

From the standpoint of economics and industrial management, perhaps the chief argument against the closed shop is that it gives a union veto power over the labor policies of management, and forces the worker to give allegiance, not to the company which pays his wages, but to an external organization which

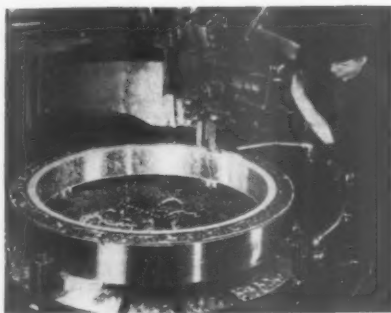


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**P**RODUCTION costs largely determine selling price, and selling price will play an important part in the competition for post war markets.

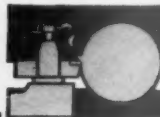
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has no financial investment in the business and no responsibility for the success of the enterprise. Under a system of private industry, this is more power than any outside agency ought to possess. It is contrary to all the principles of free enterprise, through which American industry, with all its faults, has raised living standards and the status of workingmen far above any level found elsewhere in the world.

In the minds of many employers, the compelling objection to closed shop unionism lies in the field of ethics and principle. These employers believe the closed shop is un-American, undemocratic, and morally wrong. They do not think management has any right to require all employees to join an organization which some of them don't want to join and which perhaps some of them can't join. This is the logical end result of the closed shop, even though sometimes, under preferential or union security contracts, it may be disguised or temporarily postponed. In the past, employers were charged, sometimes justly, with preventing workers from joining unions. The "yellow dog contract," of unhallowed memory, belongs to a phase of labor history of which nobody is proud. But is the employer any more justified in requiring a worker to join a union? In spite of all the specious arguments advanced by closed shop unionists, most Americans believe he is not.

### Membership may be forced

IN THIS connection we should remember that it is by no means always true that union membership is at the option of the individual employee; that he can join up if he wants to, and that failure to do so is a sign of stubbornness or obstinate nonconformity. Consider this clause from the new Ford contract:

The union will accept into membership all employees covered by this agreement, provided that a person now employed or who may hereafter be employed, who is not a member of the union but who has been a member and who has lost his membership by reason of resignation or expulsion, may be excluded from the union, in its discretion, in which event such excluded person shall not be retained in the employ of the company.

At whomever this proscription may have been aimed in this particular case, it is plain that such a clause in a closed shop contract enables the union to force the discharge of, for instance, men who have stayed at work during a strike and thus have resigned or been expelled from the organization. Loyalty to the union comes first. If it conflicts with loyalty to the employer, and an employee chooses the latter, he does so at his own peril. He risks loss of the privilege of earning his living.

It is for reasons such as these that most American employers resist the closed shop. Upon the strength of their resistance, in the face of tremendous pressure from some labor unions and even from some agencies of the Government, depends in large measure the future progress of American industry and the present success of the program of national defense.

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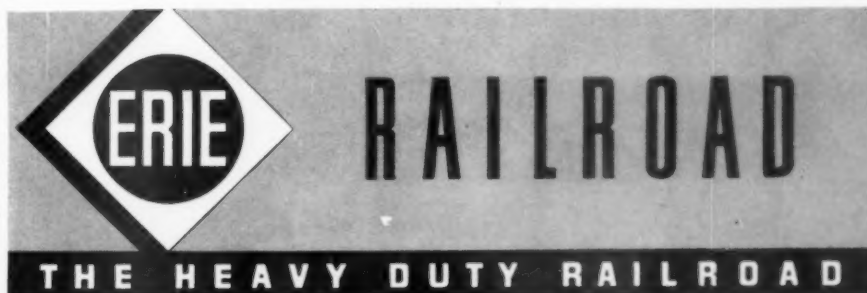
• Uncle Sam knows—soon *every* nation will have reason to know—that here is the world's greatest industrial empire. For out of its plants today pours the "hardware" of national defense in quantities staggering to the imagination.

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Formula SBS-II costs less than 1c a week per worker. Used today by 5657 leading manufacturers. Write today for generous free trial supply to Sugar Beet Products Co., 312 Waller Street, Saginaw, Michigan.

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THE WASHWORD OF INDUSTRY

## Wine-Making Goes American

(Continued from page 36)

what a good wine ought to taste like. She can spot instantly a loaf of bread that's a day old or a vegetable that isn't fresh. Without a moment's hesitation she will return a tough cut of meat or a dozen eggs that have already reached the prime of life.

But with wine she's on far less familiar ground. Wine has only recently gone native here in America. We're all just a little shy of strangers and we don't quite trust it yet.

Before the war the average Frenchman drank more than 40 gallons of wine a year. Last year Americans accounted for only about half a gallon each. Even that was a big gain over the year before. By no stretch of the imagination could we be called a nation of wine-bibbers. The difference between us and the Frenchman in our respective attitude toward wine is a difference in tradition.

### We made no "ordinary wine"

IN EUROPE most wine was drunk within a few miles of the place where it was produced. Only the fine wines were shipped to the cities, to neighbor nations or across the ocean. These were the wines we knew, the wines that made Europe's vineyards famous, but they accounted for less than five per cent of the wine that Europe produced.

The other 95 per cent was beverage wine, sound and wholesome but not exceptional. Some years it was good, oth-

ers pretty terrible. But it was the wine the people drank and it was good enough to inspire Francois Villon and a host of others.

The wine men of the old school on this side of the Atlantic had but a single thought—to imitate the fine wines of Europe and compete with the imported product for the carriage trade. The ordinary mortal wasn't supposed to touch the stuff. Except for the cellar brew made by immigrants for their own use, America never knew a *vin ordinaire*.

### Wine to quench thirst

THE important difference between fine and beverage wine is not its quality or price, but the use to which it is put. Fine wines are poured from impressive-looking bottles and sipped from glasses with long stems. Beverage wines, like any other beverage, are drunk to satisfy thirst. In Europe they are as much the standard thirst-quencher as tapwater or soda pop.

You don't find Americans gulping wine after a fast set of tennis on a hot midsummer day. A European who suggested such a thing would be looked upon as slightly touched. Actually, those funny foreigners do nothing quite so mad as that.

They quench their thirst with wine, yes. But it's usually wine mixed liberally with water.

Epicures may look down their noses at those who do it, but mixing wine with



"They want time and a half for overtime or they won't go on with it"

water is an ancient and honorable custom.

Hippocrates wrote at great length about the proper methods of mixing, and on the relative advantages of drinking the mixture hot or cold. Before we Americans can do the right thing by our native wines, we shall have to learn that wine and water can make a very pleasant and drinkable mixture.

Mulled wine—a mixture of hot wine and hot spiced syrup—has always been popular in rural sections around Christmas time.

Next winter you'll probably see an odd-looking gadget behind your favorite bar, two twin glass containers, one for wine and the other for syrup, steaming on a two burner electric plate. It's the latest device for making mulled wine—as many servings as you want, any time you want 'em—well on its way to becoming standard equipment.

Dealers and distributors are trying to break down the old notion that wine is exclusively a winter drink. As a result, iced wine punches are getting more and more popular. So are wine cocktails. Dealers have their own pet concoctions. Half port wine, half lime rickey, well iced, is the suggestion of one Atlantic City wine merchant.

### Recipes for summer drinks

ONE popular brand of wines now carries on its labels a number of summer suggestions. Here they are:

#### California Claret or Burgundy Punch

1 quart of tea  
1 quart of claret or burgundy  
1 pint of grape juice  
1 pint of orange juice  
juice of 4 lemons  
sugar to taste

#### Rhine Wine and Soda

3 ounces of Rhine wine  
pour over 2 ice cubes in a tall glass; fill with seltzer or any carbonated beverage to taste

#### Burgundy Mint Julep

1 cup burgundy  
1 teaspoon crushed mint leaves  
1 teaspoon lemon juice  
2 teaspoons sugar, or to taste  
Shake well with ice cubes; serve in tall glasses; garnish with sprig of mint or a cherry

#### Wine Lemonade

Make your favorite lemonade but use half the usual amount of lemon juice. To each glass add 3 ounces claret, Rhine wine or sauterne

There you have the keynote of the revolution that has taken hold of the wine industry. It doesn't care whether you serve white wine with your fish course, and red with your meat, or serve it the other way around. American vintners don't care whether the stuff they sell is sipped from thin stemmed goblets according to some fusty old ritual, or quaffed from paper cups at high noon.

The thing they are trying to get across to their customers is that they are making good wines, every bit as good as the European varieties even if lacking in tradition.

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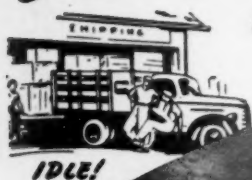
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it will automatically give you every day this "picture" of the work your truck did during the past 24 hours—busy and idle time. And besides getting a real day's work out of each truck, you correct such abuses as Speeding, Overtime, Night Work, etc. Send for the whole story. The coupon brings it.



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# The Money Markets

By  
**Clifford B. Reeves**

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

**"100% Nichols"  
Closes His Bank**

SOME years ago, a bank president named John M. Nichols, who headed a Chicago suburban bank called the First National Bank of Englewood, attracted nationwide attention by keeping his bank in a 100 per cent liquid position. He did this, he said, because of his mistrust of New Deal financial policies. This action caused him to be dubbed "100 per cent Nichols."

Mr. Nichols then began urging his depositors to withdraw their money, stating that he would like to liquidate the bank because he did not want the responsibility of caring for other people's money. Under the New Deal, he said, there was no way to invest funds safely and profitably. He even offered silver pencils and other premiums to depositors who would close out their accounts. But most depositors felt their funds were in a good safe place, and were reluctant to comply.

By continued urging of his customers, Mr. Nichols succeeded in gradually reducing his institution's deposits from their former peak of \$7,000,000. And, before the last national election, he announced that, if Roosevelt were reelected for a third term, his bank would probably liquidate all its assets and go out of business.

He has done his best to keep that pledge, but recently observed that "It's more difficult to liquidate a bank than run one." All of his commercial accounts were closed out early last summer, and the bank's deposits are now down to \$39,000, of which \$32,000 represents funds of depositors who cannot be located.

So Mr. Nichols recently announced that he was closing his deposit banking business.

He will, however, retain the institution's charter so that he may go back in business when he feels that conditions warrant it.

**Yes, We Have  
No Bonanzas**

WITH THE country's business volume running at the highest rate in its entire history,

there is very little enthusiasm or talk about "prosperity." No one is predicting another New Era.

Quite the contrary, there is a great deal of healthy cynicism about the permanence of the present level of business. Nearly every one seems to agree that it's synthetic and that it can't last.

Even before the boom has approached its peak, plans are being laid, both by individuals and businesses, to cushion the shock of the expected aftermath.

Fat pay envelopes are not leading to a boom in silk shirts, as was true in the last war. Defense workers, mindful of the hard times of the 1930's, are laying something aside for the rainy day that they feel sure will come again.

Many corporations, instead of increasing their dividends, are adding heavily to surplus and setting up special reserves for post-war use; and some companies are speeding up their rate of amortization on plant and equipment.

The Government, likewise, is at work on plans for cushioning the economic shock that is expected in the post-war period.

Before the defense program is over, military enrolments and defense production may account, directly or indirectly, for the employment of 25 per cent, or more, of all the country's gainfully employed workers.

So when and if the program ends, great economic dislocations seem bound to occur, with heavy unemployment and tremendous excess plant capacity.

If high taxes and low profit margins continue in such a period, as seems likely, it will be exceedingly difficult for private enterprise to attract capital for expansion and new ventures, particularly as the bulk of private savings may then have been absorbed by taxes and increased government debt.





## IN TRANSPORT, AS IN AVIATION— *on the Job for Defense!*

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AMERICA'S highways are alive with millions of trucks and cars, on all-vital errands directly or indirectly concerned with the nation's defense.

They've *got* to be kept rolling!

Food must move ever-faster to market, to cantonments and wharves. Supplies must travel swiftly between mines and factories and warehouses. Men must get to and from jobs, often hard to reach except by car.

These vital trucks and cars have got to be kept in efficient condition—to save fuel, to save time and money, to save lives and property!

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A new, modern carburetor serves Defense by saving gasoline. Good brakes, kept in repair, safeguard the swift flow of vital traffic. Modernized power braking, on trucks and buses, stops today's heavy loads with minimum muscle-power, protecting the vehicle, the load, the driver and the public.

Bendix not only provides this essential automotive equipment originally, but enlists its nation-wide, trained service organization for the vast and vital job of *maintaining* it. It may be difficult to furnish *all* repair parts promptly. But we intend to try, as hard as we can, because now, more than ever . . .

America's cars and trucks and buses *must* be kept rolling!

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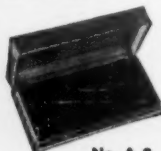
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Hence many economists feel that, under such circumstances, the Government may face the necessity of running the entire economic system.

### Changes in the Securities Acts

AT LAST, after nearly a year and a half of discussion and conference, the S.E.C.

and representatives of the securities business have presented to Congress their recommendations for changes in the Securities Act of 1933 and the Securities & Exchange Act of 1934.

The reports submitted by both groups comprised more than 400 pages of text and recommended 86 different revisions of the present statutes. On 55 of these changes, the S.E.C. and the industry are in substantial agreement. On the remaining 31 they still do not see eye to eye. But, in any event, people in the securities business felt it was a great moral victory that the S.E.C. could be forced to admit that in 55 or more particulars the securities laws needed revision.

THERE was some disappointment in the financial community that the suggested changes were not broader in scope. Most of the recommendations deal with technical procedures. From the public's standpoint only a few important changes are recommended. Furthermore, to gain certain points, the bankers had to yield on others, so that many of the recommended changes favor the S.E.C. rather than the securities business.

On balance, the adoption of the proposed changes will probably improve the workability of both Acts and should bring some benefits to security distributors, issuing corporations and the investing public.

Investment bankers, operating chiefly under the 1933 Act, seem destined to get greater relief than the stock exchanges, which are regulated by the 1934 Act.

Hearings on the joint proposals have been started before the House Committee on Interstate and Foreign Commerce, and will probably be long, so it is thought unlikely that any congressional action can be obtained before early 1942 at best.

Probably the most important change agreed upon jointly by the S.E.C. and the bankers was one requiring that all issues of \$3,000,000 or more must be registered even though sold to a small group of investors. This is expected to reduce greatly the volume of "private sales" to insurance companies and other institutional investors and will make such issues available to the general investing public.

ANOTHER change agreed upon was the simplification of registration statements and prospectuses. Besides relieving corporations and their bankers of a great deal of costly and unnecessary work, this should be a great boon to any investor who has waded through 100 or more pages of a prospectus in search of some pertinent information.

Both sides also agreed to a restatement of the purposes of both Acts, so as to charge the S.E.C. specifically with the responsibility for administering them "with the least possible interference to honest business." The Commission said that this was the way the Acts had always been administered.

But the bankers felt the phrase was important. Both sides also agreed that the filing of duplicate documents under the 1933 and 1934 acts should be discontinued.

The S.E.C. in its turn obtained the bankers' agreement to the extension of present proxy rules to all companies that have a \$3,000,000 capitalization and more than 300 stockholders, although the unlisted security dealers may oppose this revision. The bankers also acquiesced in the Commission's request that its powers be broadened to enable it to obtain injunctions against past, as well as present, actions.

Courts had refused injunctions in the past on the grounds that people had already ceased the practices complained of.

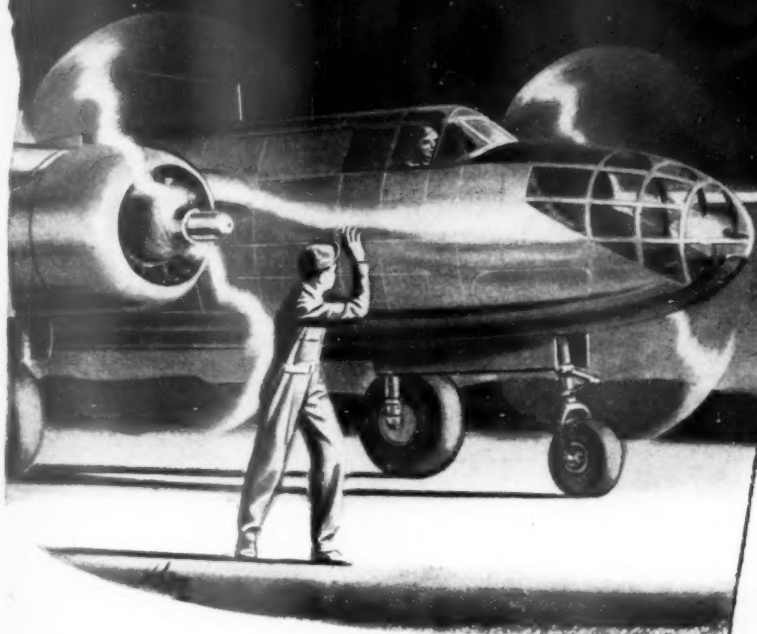
THE S.E.C. also recommended a number of additional changes on which the bankers did not concur. One of these was the Commission's demand for greater authority to make exchanges discipline their own members and to give the Commission control of exchange elections.

Another on which there was disagreement was the S.E.C.'s recommendation that exemption from registration be given only in cases of issues of less than \$300,000. The industry feels that issues up to \$500,000 should be exempt.

The S.E.C. also wants to provide that a buyer must have a prospectus in his hands at least 24 hours before he makes his purchase, a provision that the industry feels is impracticable. The Commission also seeks a provision that would require some 1,500 unlisted companies to file additional data with the S.E.C. Unlisted security dealers strongly oppose this recommendation. They fear it might lead to unlisted trading of such securities on the stock exchanges, and result in the depletion of the unlisted market.

The bankers also recommended a number of changes with which the

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A BAR OF  
 aluminum, called a

"pig" in the trade, is a very essential material of defense. Where tough light metal is needed, aluminum and its alloys are used—in wire, motors, armor plate, castings and other products. A ton or more of aluminum may be necessary in the production of a single bombing plane.

Making one little pig of aluminum requires the coordination of many manufacturing and processing industries. Bauxite, the principal ingredient, must be ripped from the earth. Steel mills, refineries and power plants are some of the industries called in to push aluminum from its ingot and sheet metal stages into the wings of a plane. Only by INDUSTRIAL TEAMWORK can the little pig become precious metal and the materials of living and the implements of defense be made available in quantity. Insurance, the industry that protects other industries, acts to eliminate financial loss, so that least possible obstruction will confront the national defense effort.



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Commission did not agree. These included the abolition of the S.E.C.'s power to segregate broker and dealer functions on the floor of exchanges; the abolition of suits for recovery of profits made within six months on trading by officers and directors in the stock of their own companies; the exemption from registration of all issues of utility holding companies that are covered by the Public Utility Holding Company Act, just as railroad issues, which are qualified with the I. C. C., are now exempt under the Securities Act; and exemption of competitive bidders from certain liabilities as underwriters, on the theory that, under competitive bidding procedure, a thorough knowledge of the securities is impossible.

The bankers also recommended that the number of commissioners be increased from five to nine, and that the salaries of commissioners be increased from \$10,000 to \$15,000 annually. On the latter point, the S.E.C. was modestly non-committal; but the bankers feel that, if there are more commissioners, the work of registration and regulation will be facilitated, and that higher compensation will reduce the rapid turnover of commissioners that has plagued the financial business in recent years.

### The Plight of "Small Business"

GREAT concern is being expressed in various quarters about the plight of small manufacturing businesses.

Contracts for national defense work have gone chiefly to the larger manufacturing companies, for reasons of speed, and because such a policy involved fewer contracts and inspections.

Small companies have so far received only a small share of defense business.

Then, to make matters worse, the ordinary civilian business of the smaller companies is now being curtailed or threatened by priorities and shortages of material. Higher taxes and wages are cutting seriously into their profit margins, so such busi-

nesses cannot fatten up their reserves against the possibility of a post-war depression. In general, the small manufacturing business is suffering all of the dislocations, and receiving none of the benefits, of the defense program.

One highly practical solution of this problem is the series of Production Defense Clinics that have recently been organized in various parts of the country.

At these clinics, hundreds of small manufacturers can talk directly with the representatives of big companies holding major defense contracts. A small manufacturer can thus locate the contractors who need the exact sort of work he is able to do.

This process not only aids small business, but also speeds up all defense production.

Another move for the protection of small business was the appointment of a Republican Small Business Committee, which will study ways of protecting small business from effects of post-war depression. In announcing this Committee, Representative Martin, Mass., stated that businesses employing fewer than 200 people account for 99 per cent of all business firms in the country and do 65 per cent of the nation's total business volume.

### The Curb on Time Sales

THE Federal Reserve Board's new regulation curbing time sales, which became effective September 1, was hailed in the consumer credit business as being eminently sensible and sound.

The restrictions that were imposed—at least at the outset—resulted primarily in eliminating senseless competition based on unsound credit terms.

Thus the Government action automatically corrected wild practices that the leading companies in the finance business had been trying to achieve for a long time.

The terms imposed on the time-sale of various types of consumers' goods brought no complaint from any responsible quarter. On automobiles, a down payment of 33⅓ per cent was specified, with a maximum of 18 months allowed for payment of the balance.

Down payments of 20 per cent and an 18 month maximum maturity were required for mechanical refrigerators, washing machines, vacuum cleaners, radios and air conditioners.

The regulation of consumer credit was undertaken as part of the Government's general program to control inflation by preventing too great an expansion of consumer purchases.

### PACIFIC GAS AND ELECTRIC CO.

#### DIVIDEND NOTICE

#### Common Stock Dividend No. 103

A cash dividend declared by the Board of Directors on September 17, 1941, for the quarter ending September 30, 1941, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on October 15, 1941, to shareholders of record at the close of business on September 30, 1941. The Transfer Books will not be closed.

D. H. FOOTE, Secretary-Treasurer.

San Francisco, California

## Rhapsody on a Feather Bed

(Continued from page 46)

able, and getting older and poorer all the time. I was getting no help from the rest of the family because by this time I was in a room alone, and other household necessities were pressing for purchase and payment.

A couple of years ago I read an advertisement of sheets and blankets in which sizes were mentioned. I measured my sheets and blankets and found that they missed the biggest sizes by a couple of feet. I was determined to have the biggest and best in sheets and blankets, and so I bought eight percale sheets, size 108 x 81, and a blanket, size 80 x 90—\$18.

### Learning to lie in bed

I PAID for these outrageous luxuries and then I bought an \$11 pillow, filled with the softest down from the breasts of the tenderest European geese. The price seemed high because never before had I bought a pillow. But what of it? I wanted a pillow that had everything. Alas, I slipped the pillow into a pillow case and it was as hard as an unabridged dictionary. I printed this fact and then word came to me, via an advertisement, that pillow cases must be several inches larger than the pillows they contain; otherwise the result is like an inflated bladder in a leather cover. I was learning, slowly.

Soon I began acquiring the habit of spending more time in bed. I read in bed. I had been content with a small 40-watt lamp that fitted into a shade, clamped to the headboard. It didn't give enough light and was hot on my head. For \$10 I bought a three-way standing lamp that produced 100, 200, and 300 watts, as wanted.

I saw an advertisement of a table that was so engineered that it could be pulled across the lap of the bed's inhabitant and a breakfast tray put on it. It could be tilted to hold a book, an atlas, or a newspaper in position for comfortable reading; or it could be pushed aside and used as a table for cigarettes, ash tray, books, magazines, chewing gum, and a highball. It cost \$8.95.

I saw another advertisement of an inexpensive bookcase, just the thing to put beside the bed, price \$3.25. The top was in three levels. On one level I put an electric alarm clock, price \$4. On another level I put a tiny radio, price \$15.

For many years twin beds had stood in my room, although only one bed was used. It dawned on me that, by dismantling one bed, I could put the occupied bed in a position facing a solid wall instead of two windows through which early daylight poured in the spring and summer.

This simple change was a tremendous improvement. The room had an odd appearance. The bed was set diagonally in a corner. It dominated the room and would have driven an interior decorator mad. But I kept decorators out. I wanted comfort, rest, and sleep, and was getting insistent that first things come first.

I began to feel that I was fixed for life until I came on an advertisement by Lewis & Conger, operators of the Sleep Shop, a department of their store in New York City. I had been looking at these advertisements for some months, but now that I was thoroughly bed and sleep conscious, they had a new meaning for me.

I sent for a copy of their "Sleep Booklet" and, when I had studied it, I knew that I was in understanding and competent hands.

After reading Lewis & Conger's booklet "How to Sleep Successfully," I wrote

a letter to Norman Dine, head of the Sleep Shop. I said:

I am 51 years old, six feet one inch in height and weigh 170 pounds, long-waisted and consequently a little weak in the back.

With this information, will you give me specifications for a bed, spring, and mattress, indicating the proper length, width, etc.? I want the best for sleep purposes, but not necessarily the most expensive.

I spend a good deal of time in bed, reading and resting, and have accessories for comfort such as pillows, coverings, lights, table, bookcase, etc., although suggestions about the size of sheets and blankets for the bed you recommend will be appreciated.

If you will send pictures and prices, I hope to give you an order.

In an intelligent and comprehensive answer, Dine made his recommenda-



ON LAND



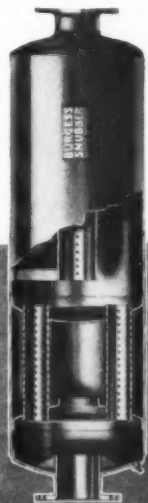
AT SEA

Three Snubbers on Fairbanks-Morse engines at Montezuma, Iowa, provide freedom from exhaust noise complaints. Four Burgess Snubbers on the tuna clipper "St. George" prevent exhaust noise from its main and auxiliary engines.

## ALL DIESEL ENGINES

### can now be operated WITHOUT EXHAUST NOISE

Snubbing chambers in the Burgess Snubber check the "slugs" of exhaust gas without impeding the flow of slower gases.



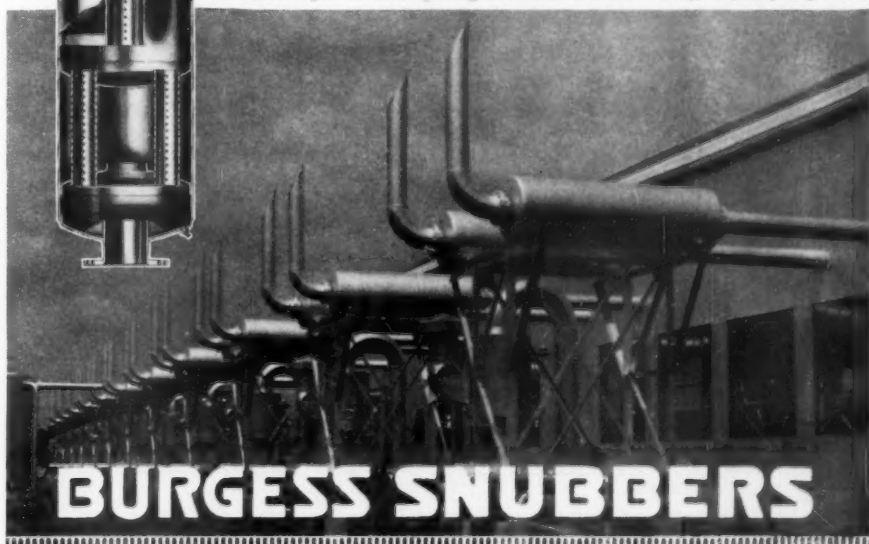
Diesel engines provide reliable and convenient power for many purposes, yet approval of Diesel installations is sometimes withheld because of fear of exhaust noise complaints. Such complaints can now be avoided by equipping your engines with Burgess Exhaust Snubbers. Snubbers make possible the operation of Diesel engines in places where exhaust noise cannot be tolerated.

Burgess Snubbers operate on the scientific principle of preventing exhaust noise before the noise occurs. If you are considering Diesel engine operation, write for the latest Burgess report on "Diesel Engine Exhaust Silencing."

Burgess Battery Co., Acoustic Div., 508 W. Huron St., Chicago, Ill.

Originators of Snubbing Principle for Quieting Diesel Exhausts  
—Pat. and Pats. Applied For

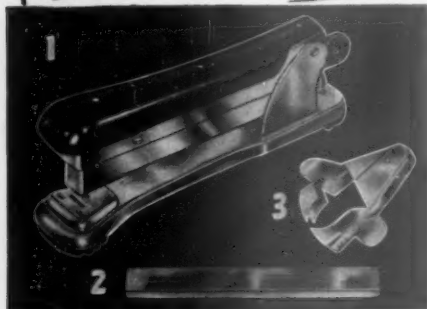
24 Snubbers quiet 12 Clark gas engine exhausts at Cotton Valley, La., Recycling Plant.



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New York City



tions. What I needed, he counseled, was a mattress not too soft, not too hard, something that would support my slightly bulging posterior and gently conform to my contours without sagging too much.

He sold me a mattress made of Latex, three inches thick, 45 inches wide and 81 inches long for \$55; a matching box spring ten inches by 45 x 81 inches for \$45; and a bedstead of light maple for \$39.50.

These sizes were chosen because Dine said that a mattress should be eight inches longer than a person's height, and ten inches wider than the girth. The blanket should be at least 12 inches longer and 30 inches wider than the mattress. The sheets should be 30 inches wider and about 30 inches longer than the mattress.

He added:

We would like to make an additional suggestion which we believe is extremely essential to sleeping comfort.

One of the deterrents to sound sleep is the fluctuating temperature during the night. We all know the irritation from too many covers, as well as too few, and the resultant throwing off of blankets and reaching for more. Frequently the change in temperature is not sufficient to wake the sleeper, but is sufficient to cause restlessness and unconscious shifting about, damaging to good sleep. And we all know how beneficial it is for the body when the temperature remains constant so that the entire body organism is really at rest. We therefore recommend an electric blanket.

I bought the blanket for \$29.95.

### A blanket that's automatic

THIS blanket might frighten a timid person. It is made of wool and is soft and flexible like any other good blanket, except that it is lined with tiny wires. You put a plug in a light socket. The wire from this plug leads to a transformer that rests on the floor or can be attached to the underside of the bed. The transformer reduces the current to ten volts so that it is as safe as the electric toys used by kids. Then you plug another wire into the foot of the blanket, making up your bed as though there were no wires.

Another wire leads to a gadget, just a little larger than a pack of cigarettes, that you place on your table. This control encloses a thermostat. You turn the switch "On." You move a dial to the place where experience tells you that you get the right temperature. After you open a window and the cold outside air enters the room, the control increases the production of heat, keeping you, your feet, and your shoulders, at a nice even temperature all through the night. Or, it decreases the production, if the night air gets warmer.

Should you wake up feeling chilly or hot, which is seldom, a slight twist of the dial corrects the condition.

Friends, for the first time in my life I am sleeping in comfort, regularly. I have relaxed and slept soundly when the window of my bedroom was wide open and the outside temperature was within eight degrees of zero. The whole length of my body has been warm and I

have stretched at full length at five a.m.

For a tall man, at long last, to get into a bed in which there is room to stretch without pressing his head against the top board or his feet against the end board is a satisfaction that maybe only a man in the second half century of his life can fully appreciate.

To me the cost of all this comfort seems ridiculously low. Shortly after the equipment arrived and I had put it into use, Dine asked me what I had to say. I wrote:

I had my bed set up this week and each night I have fallen asleep so quickly and slept so soundly that I have had no conscious opportunity to analyze its qualities. Tomorrow will be Sunday, so if I read the Sunday paper and have breakfast in bed, I may be able to make a more detailed report. In time I shall surely do this.

### The cost of sound sleep

LATER I asked Dine to recapitulate the expense of setting up a good made-to-measure bed, with accessories. He gave me the following:

The details and prices of a good, complete bed, that will minister to all the requirements of a sleeper of sensibilities, follow:

|                      |               |
|----------------------|---------------|
| 1 Bedstead           | about \$45.00 |
| 1 Box Spring         | 44.50         |
| 1 Latex Mattress     | 54.50         |
| Generous Size Smooth |               |
| Soft Sheets—each     | 3.50          |
| Cases to Match—each  | .90           |
| 1 Latex Pillow       | 7.95          |
| 1 Electric Blanket   | 29.95         |

These prices include special sizes, special length, and special width to insure the boundless comfort that even a restless sleeper requires. To go a little further, we can make up this bed with convenient shelving in the headboard which will hold all the accessories of a cultured person's bed. These accessories would include proper smoking equipment, drinking equipment, both hot and cold, a reading lamp, radio, and remote control device to close the windows in the room, to turn on or turn off ventilation for the room, a safety smoking device to avoid fires in bed, and an alarm clock. Also there should be an adjustable back rest, bed table that will permit reading, writing, breakfasting, etc. These accessories are priced as follows:

|                              |        |
|------------------------------|--------|
| The New Fluorescent Bed Lamp | \$5.95 |
| Bedside Table                | 9.95   |
| Polite Alarm Clock           | 4.95   |
| Carafon Drinking Set         | 10.50  |
| Bedside Radio                | 14.95  |
| Adjustable Backrest          | 7.95   |
| Safety Smoking Device        | 2.50   |
| Window Ventilator            | 34.50  |

I took the list of major items and allowed for eight sheets, four pillow cases, and a fine woolen blanket for an extra cover.

The total outlay was \$231.50. The minor accessories came to \$91.25, making a grand total of \$322.75.

For the fun of it, I am making a few comparisons, to point out just how much \$322.75 means in the budget of a well-to-do person:

It is much less than the expense of a vacation.

It is less than the difference between the price of the different models of most automobiles.



It is little more than the price of two custom-made men's suits.

It is less than the price of a woman's fur coat.

It is less than the price of a surgical operation, with hospital care.

It is less than most families spend yearly for drugs.

The National Association of Bedding Manufacturers employed the Lawrence H. Selz Organization to conduct a consumer investigation. They interviewed 300 housewives in Chicago, 200 in Springfield, Mass., 200 in Elmira, N. Y., and 100 in Burlington, Wis. From these interviews, they drew conclusions which, according to accepted law of chances in the research business, are probably true of the whole United States.

They found that the mattresses and springs in use average more than ten and 12 years old, respectively, and the pillows average nearly 18 years old.

When asked, "How long do you think sleeping equipment of medium quality, given reasonable care, should last?" housewives' replies ranged from three to 60 years and forever. Most think they ought to get 15 years' use from a mattress, regardless of price. Many housewives thought pillows should be good for 75 years and springs for 20 years.

The same people expect to buy these mattresses for about \$25, and springs for \$19. In other words, the American housewife thinks that a dollar a year is about right for a mattress and a spring.

A dollar will buy five gallons of gasoline in most states.

Bedding equipment is usually bought at the time of marriage, after a fire, or when Junior gets big enough to need a full-sized bed all his own. Nearly everybody buys cheap.

### Few have good beds

CONSEQUENTLY few people ever know what a good bed is like until they put up at a first-class hotel. Guests of hotels frequently try to buy the beds they have slept in.

This is all wrong, folks.

I have been unnecessarily extravagant in my purchases and in the prices mentioned in this article.

The majority of Americans don't need outsize bedsteads, springs, and mattresses. What they do need, as pointed out by Dr. Johnson of Mellon Institute, is a bed and coverings that will:

1. Permit sleeper to move about in all positions.
2. Minimize bedding pressure against the sleeper.
3. Minimize effort required to hold any sleep posture.
4. Minimize internal organ strain and pressure.
5. Minimize shifting and tossing of sleeper.
6. Permit comfortable skin ventilation.

These are obtainable at a ridiculously small outlay, all things considered. A hundred dollars—even less—will do the job.

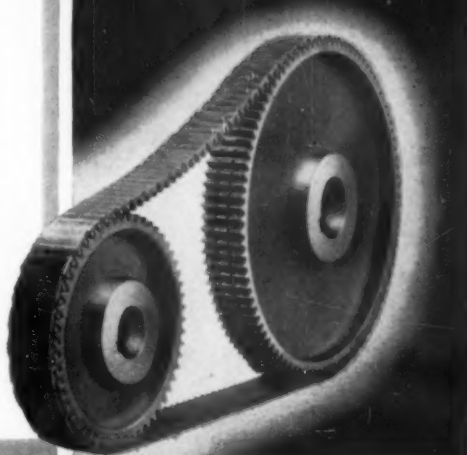
Everybody pays a few hundred dollars for extra refinements in an automobile, but nobody—well hardly anybody—spends an extra cent for refinements in beds. It's all wrong.



OLD-FASHIONED ideas about how fast a silent chain can be driven don't mean a thing to this ultra-modern new Morse "High-Speed" Super-Drive. This revolutionary new power drive is a law unto itself—*more power with less chain!*

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